

SENATE BILL 197

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C7

2004 Regular Session
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By: **The President (By Request - Administration)**

Introduced and read first time: January 23, 2004

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: February 26, 2004

CHAPTER _____

1 AN ACT concerning

2 **Public Education Bridge to Excellence - Funding - Video Lottery Terminals**

3 FOR the purpose of requiring the State Lottery Commission to regulate the operation
4 of certain video lottery terminals; requiring the Governor to appoint a member
5 of the State Racing Commission as a liaison to the State Lottery Commission;
6 altering the membership of the State Lottery Commission; specifying certain
7 requirements for members of the State Lottery Commission; requiring the
8 Governor to appoint a member of the State Lottery Commission as a liaison to
9 the State Racing Commission; providing that members of the State Lottery
10 Commission may be compensated as provided in the State budget; authorizing
11 the operation of video lottery terminals connected to a certain central computer
12 that allows the State Lottery Commission to monitor a video lottery terminal
13 and that has certain capabilities; prohibiting access to the central computer to
14 certain licensees with a certain exception; providing that only a person with a
15 certain video lottery operation license may offer a video lottery terminal for
16 public use in the State; providing that this Act is statewide and exclusive in its
17 effect and that certain laws do not apply to video lottery terminals authorized
18 under this Act; authorizing the State Lottery Commission to conduct certain
19 investigations and hearings; requiring the State Lottery Commission to adopt
20 certain regulations; ~~authorizing~~ requiring the State Lottery Commission to
21 require a certain bond and collect certain fees, civil penalties, and taxes;
22 authorizing the State Lottery Commission to inspect and seize certain
23 equipment, financial information, and records without notice or warrant;
24 authorizing the State Lottery Commission to issue a certain number of video
25 lottery operation licenses under certain circumstances; requiring certain video
26 lottery terminal manufacturers, video lottery operators, video lottery employees,
27 and other individuals required by the State Lottery Commission to be licensed;
28 providing for the application and licensing process; providing for review of a

1 denial of an application for a certain license by the State Board of Contract
2 Appeals; establishing the crime of giving false information in an application for
3 a license under this Act or in any supplemental information required by the
4 State Lottery Commission; establishing certain penalties; establishing certain
5 eligibility criteria and disqualifying criteria for a video lottery operation license;
6 requiring certain video lottery operation licensees to maintain certain numbers
7 of live racing days; providing that the license of certain video lottery operation
8 licensees may be revoked if a certain horse racing event or trade names and
9 other items related to the event are transferred out of the State; requiring a
10 certain licensee to conduct a certain annual race with certain exceptions;
11 requiring certain video lottery operation licensees to submit to the State Lottery
12 Commission a certain plan to improve the quality and marketing of horse
13 racing; requiring certain video lottery operation licensees to offer for sale a
14 certain percentage of equity ownership to certain individuals under certain
15 circumstances; requiring certain applicants and licensees to comply with certain
16 provisions of law relating to minority business participation; specifying that
17 certain collective bargaining agreements do not negate certain provisions of this
18 Act; requiring a licensee to provide certain health insurance to its employees;
19 authorizing certain applicants for employment to appeal to certain local human
20 relations boards under certain circumstances; providing for the monitoring of
21 certain provisions of this Act by the Governor's Office of Minority Affairs;
22 providing for certain eligibility criteria and disqualifying criteria for certain
23 licenses; providing for certain waivers of certain licensing requirements under
24 certain circumstances; providing for certain license terms; stating the intent of
25 the General Assembly relating to video lottery operation licenses; prohibiting a
26 video lottery operation license from being transferred or pledged as collateral;
27 prohibiting certain licensees from selling or otherwise transferring more than a
28 certain percentage of the legal or beneficial interest unless certain conditions
29 are met; requiring that the transfer of a certain interest in a person that holds a
30 video lottery operation license be approved by the State Lottery Commission;
31 requiring the Department of State Police to conduct certain background
32 investigations in a certain manner; requiring the State Lottery Commission to
33 buy or lease the video lottery terminals, associated equipment, and central
34 computer authorized under this Act; specifying limits on the number of video
35 lottery terminals allowed in the State and at certain facilities; allowing a certain
36 number of racetrack locations and nonracetrack destination locations to be
37 eligible for a video lottery operation license under certain circumstances;
38 establishing a Video Lottery Facility Location Commission; establishing the
39 membership of the Video Lottery Facility Location Commission; providing that
40 appointments to the Commission are subject to the approval of the Legislative
41 Policy Committee; establishing certain eligibility requirements for membership
42 on the Video Lottery Facility Location Commission; providing for certain
43 reimbursements and staffing; allowing the Video Lottery Facility Location
44 Commission to award not more than a certain number of video lottery operation
45 licenses to certain racetrack locations and nonracetrack destination locations;
46 requiring certain licenses for racetrack locations to be at certain locations;
47 requiring certain nonracetrack video lottery facilities to be in certain counties;
48 prohibiting the Video Lottery Facility Location Commission from issuing more

1 than one license in a certain county; requiring the Department of Budget and
2 Management to contract with a certain consultant; requiring the Video Lottery
3 Facility Location Commission to consider certain factors; requiring the State
4 Lottery Commission to make certain determinations and be responsible for
5 certain matters relating to racetrack locations and nonracetrack destination
6 locations; allowing a certain number of video lottery terminals for nonracetrack
7 destination locations; requiring certain funds to be used to improve jockey
8 health benefits; allowing the operation of video lottery terminals in a temporary
9 facility under certain circumstances; providing the minimum payout for video
10 lottery terminals and authorizing the State Lottery Commission to adopt certain
11 video lottery terminal payouts; providing for the hours of operation of video
12 lottery terminals; prohibiting certain games offered by the State Lottery
13 Commission from being offered for sale in a video lottery facility; prohibiting the
14 State Lottery Commission from issuing certain licenses under certain
15 circumstances; prohibiting a video lottery operation licensee from offering food
16 or beverages at no cost with a certain exception or from offering food and
17 beverages below certain prices; requiring the State Lottery Commission to adopt
18 certain regulations to reduce or mitigate the effects of problem gambling;
19 authorizing the State Lottery Commission to reprimand a licensee or deny,
20 suspend, or revoke certain licenses under certain circumstances; requiring the
21 Comptroller to collect and distribute certain money in specified ways;
22 establishing the Education Trust Fund; requiring certain distributions from
23 video lottery proceeds to the Education Trust Fund to be used for a certain
24 purpose; establishing a Purse Dedication Account under the authority of the
25 State Racing Commission; providing for a certain distribution from video lottery
26 proceeds to the Purse Dedication Account for horse racing; providing for certain
27 distributions from the Purse Dedication Account for horse racing in a certain
28 manner; authorizing the State to pay certain transportation costs; requiring the
29 Department of Transportation to facilitate certain negotiations; requiring a
30 certain transportation plan to be developed by certain counties; providing for the
31 creation of certain local development councils; providing for appointment and
32 membership of certain local development councils; requiring certain counties to
33 develop certain plans to be reviewed by certain local development councils;
34 specifying that a certain percentage of certain local development grants should
35 be used for certain purposes; authorizing certain fees and providing for a certain
36 distribution from certain fees to the Compulsive Gambling Fund; creating a
37 Compulsive Gambling Fund in the Department of Health and Mental Hygiene;
38 providing for certain disbursements from the Compulsive Gambling Fund for
39 certain purposes; requiring the Department of Health and Mental Hygiene to
40 establish certain regional centers and to conduct a certain prevalence study;
41 requiring the Secretary of Health and Mental Hygiene to make certain grants
42 from certain funds; exempting a certain procurement by the Commission from
43 certain provisions of law; requiring the Commission to make a certain annual
44 report by a certain date; requiring the Department of Transportation to conduct
45 a certain study and make a certain report by a certain date; requiring a certain
46 certification entity to conduct certain studies and make certain reports; making
47 the provisions of this Act severable; providing for the staggering of the terms of
48 certain new members of the State Lottery Commission; defining certain terms;

1 requiring certain application fees to accrue to a certain fund to be used for a
2 certain purpose in a certain fiscal year; providing for the manner of calculation
3 and distribution of certain additional State aid to education to reflect regional
4 differences in the cost of education that are due to factors outside the control of
5 local jurisdictions; providing for the termination of certain provisions of this Act;
6 providing that certain provisions of this Act are contingent on the termination of
7 another Act; and generally relating to the operation of video lottery terminals at
8 certain locations in the State.

9 BY adding to
10 Article - Business Regulation
11 Section 11-202(g)
12 Annotated Code of Maryland
13 (1998 Replacement Volume and 2003 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article - Education
16 Section 5-202(a) and (f)
17 Annotated Code of Maryland
18 (2001 Replacement Volume and 2003 Supplement)

19 BY repealing and reenacting, without amendments,
20 Article - Health - General
21 Section 19-801 and 19-802
22 Annotated Code of Maryland
23 (2000 Replacement Volume and 2003 Supplement)

24 BY repealing and reenacting, with amendments,
25 Article - Health - General
26 Section 19-803 and 19-804
27 Annotated Code of Maryland
28 (2000 Replacement Volume and 2003 Supplement)

29 BY repealing and reenacting, with amendments,
30 Article - State Government
31 Section 9-105 and 9-108(d)
32 Annotated Code of Maryland
33 (1999 Replacement Volume and 2003 Supplement)

34 BY adding to
35 Article - State Government
36 Section 9-1A-01 through 9-1A-34 to be under the new subtitle "Subtitle 1A.
37 Video Lottery Terminals"
38 Annotated Code of Maryland

1 (1999 Replacement Volume and 2003 Supplement)

2 BY repealing and reenacting, with amendments,
 3 Article - State Finance and Procurement
 4 Section 11-203(a)(1)(xviii) and (xix) and (b)(3)
 5 Annotated Code of Maryland
 6 (2001 Replacement Volume and 2003 Supplement)

7 BY adding to
 8 Article - State Finance and Procurement
 9 Section 11-203(a)(1)(xx)
 10 Annotated Code of Maryland
 11 (2001 Replacement Volume and 2003 Supplement)

12 BY repealing and reenacting, without amendments,
 13 Article - State Finance and Procurement
 14 Section 11-203(b)(1)
 15 Annotated Code of Maryland
 16 (2001 Replacement Volume and 2003 Supplement)

17 BY repealing and reenacting, with amendments,
 18 Article - State Finance and Procurement
 19 Section 11-203(b)(2)
 20 Annotated Code of Maryland
 21 (2001 Replacement Volume and 2003 Supplement)
 22 (As enacted by Chapter 402 of the Acts of the General Assembly of 2003)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 24 MARYLAND, That the Laws of Maryland read as follows:

25 **Article - Business Regulation**

26 11-202.

27 (G) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE COMMISSION TO
 28 SERVE AS A LIAISON TO THE STATE LOTTERY COMMISSION ESTABLISHED UNDER
 29 TITLE 9 OF THE STATE GOVERNMENT ARTICLE.

30 **Article - Education**

31 5-202.

32 (a) (1) In this section the following words have the meanings indicated.

33 (2) "ADJUSTED FOUNDATION PROGRAM" MEANS THE SUM OF:

1 (I) THE GCEI ADJUSTMENT MULTIPLIED BY:
 2 1. 0.50 IN FISCAL YEAR 2005;
 3 2. 0.62 IN FISCAL YEAR 2006;
 4 3. 0.74 IN FISCAL YEAR 2007;
 5 4. 0.86 IN FISCAL YEAR 2008; AND
 6 5. 1.00 IN FISCAL YEAR 2009 AND EACH FISCAL YEAR
 7 THEREAFTER; AND

8 (II) THE FOUNDATION PROGRAM.

9 [(2)] (3) "Annual per pupil foundation amount" means:

10 (i) For fiscal years 2004 through 2008, the sum, rounded to the
 11 nearest dollar, of:

12 1. The fiscal year 2002 per pupil foundation amount of
 13 \$4,124; and

14 2. The product of the difference between the target per pupil
 15 foundation amount and \$4,124 and:

16 A. 0.40 in fiscal year 2004;

17 B. 0.52 in fiscal year 2005;

18 C. 0.71 in fiscal year 2006; and

19 D. 0.83 in fiscal year 2007; and

20 (ii) For fiscal year 2008 and each fiscal year thereafter, the target
 21 per pupil foundation amount.

22 [(3)] (4) "Assessed valuation of real property" means the most recent
 23 estimate made by the State Department of Assessments and Taxation before the
 24 annual State budget is submitted to the General Assembly, of the assessed value of
 25 real property for State purposes as of July 1 of the first completed fiscal year before
 26 the school year for which the calculation of State aid is made under this section.

27 [(4)] (5) "Assessed value of personal property" means the most recent
 28 estimate by the State Department of Assessments and Taxation before the annual
 29 State budget is submitted to the General Assembly of the assessed value for county
 30 purposes of personal property as of July 1 of the first completed fiscal year before the
 31 school year for which the calculation is made under this section.

32 [(5)] (6) "Foundation program" means the product of the annual per
 33 pupil foundation amount and a county's full-time equivalent enrollment.

1 [(6)] (7) "Full-time equivalent enrollment" means the sum of:

2 (i) The number of students enrolled in grades 1 through 12 or their
3 equivalent in regular day school programs on September 30 of the previous school
4 year;

5 (ii) Except as provided in item (iii) of this paragraph, the product of
6 the number of students enrolled in kindergarten programs on September 30 of the
7 prior school year and:

8 1. 0.60 in fiscal year 2004;

9 2. 0.70 in fiscal year 2005;

10 3. 0.80 in fiscal year 2006;

11 4. 0.90 in fiscal year 2007; and

12 5. 1.00 in fiscal year 2008 and each fiscal year thereafter;

13 (iii) In Garrett County, the number of students enrolled in
14 kindergarten programs on September 30 of the prior school year; and

15 (iv) The number of full-time equivalent students, as determined by
16 a regulation of the Department, enrolled in evening high school programs during the
17 previous school year.

18 (8) "GCEI ADJUSTMENT" MEANS THE FOUNDATION PROGRAM FOR EACH
19 COUNTY MULTIPLIED BY:

20 (I) 0.000 IN ALLEGANY;

21 (II) 0.018 IN ANNE ARUNDEL;

22 (III) 0.042 IN BALTIMORE CITY;

23 (IV) 0.008 IN BALTIMORE;

24 (V) 0.021 IN CALVERT;

25 (VI) 0.000 IN CAROLINE;

26 (VII) 0.014 IN CARROLL;

27 (VIII) 0.000 IN CECIL;

28 (IX) 0.020 IN CHARLES;

29 (X) 0.000 IN DORCHESTER;

30 (XI) 0.024 IN FREDERICK;

- 1 (XII) 0.000 IN GARRETT;
- 2 (XIII) 0.000 IN HARFORD;
- 3 (XIV) 0.015 IN HOWARD;
- 4 (XV) 0.010 IN KENT;
- 5 (XVI) 0.034 IN MONTGOMERY;
- 6 (XVII) 0.048 IN PRINCE GEORGE'S;
- 7 (XVIII) 0.011 IN QUEEN ANNE'S;
- 8 (XIX) 0.002 IN ST. MARY'S;
- 9 (XX) 0.000 IN SOMERSET;
- 10 (XXI) 0.000 IN TALBOT;
- 11 (XXII) 0.000 IN WASHINGTON;
- 12 (XXIII) 0.000 IN WICOMICO; AND
- 13 (XXIV) 0.000 IN WORCESTER.
- 14 [(7)] (9) "Local contribution rate" means the figure that is calculated as
15 follows:
- 16 (i) Multiply the statewide full-time equivalent enrollment by
17 \$624, and multiply this product by:
- 18 1. 0.46 in fiscal year 2004;
- 19 2. 0.47 in fiscal year 2005;
- 20 3. 0.48 in fiscal year 2006;
- 21 4. 0.49 in fiscal year 2007; and
- 22 5. 0.50 in fiscal year 2008 and each fiscal year thereafter;
- 23 (ii) Multiply the statewide full-time equivalent enrollment by the
24 amount that the annual per pupil foundation amount exceeds \$624, and multiply this
25 product by 0.50;
- 26 (iii) Add the two products calculated in items (i) and (ii) of this
27 paragraph, and divide the resulting sum by the sum of the wealth of all of the
28 counties in this State; and
- 29 (iv) Round the result obtained in item (iii) of this paragraph to
30 seven decimal places and express as a percent with five decimal places.

1 ~~[(8)]~~ (10) "Local share of the foundation program" means the product of
2 the local contribution rate and a county's wealth.

3 ~~[(9)]~~ (11) "Net taxable income" means the amount certified by the State
4 Comptroller for the second completed calendar year before the school year for which
5 the calculation of State aid under this section is made, based on tax returns filed on
6 or before September 1 after this calendar year.

7 ~~[(10)]~~ (12) "Personal property" means all property classified as personal
8 property under § 8-101(c) of the Tax - Property Article.

9 ~~[(11)]~~ (13) "Real property" means all property classified as real property
10 under § 8-101(b) of the Tax - Property Article.

11 ~~[(12)]~~ (14) "State share of the foundation program" means the greater of:

12 (i) The difference between the ADJUSTED foundation program and
13 the local share of the foundation program; and

14 (ii) The result obtained by multiplying the annual per pupil
15 foundation amount by the county's full-time equivalent enrollment, and multiplying
16 this product by:

17 1. 0.25 in fiscal year 2004;

18 2. 0.24 in fiscal year 2005;

19 3. 0.22 in fiscal year 2006;

20 4. 0.19 in fiscal year 2007; and

21 5. 0.15 in fiscal year 2008 and each fiscal year thereafter.

22 ~~[(13)]~~ (15) "Target per pupil foundation amount" means:

23 (i) In fiscal year 2004, \$5,730; and

24 (ii) In subsequent fiscal years:

25 1. The target per pupil foundation amount for the prior fiscal
26 year increased by the same percentage as the increase in the implicit price deflator for
27 State and local government expenditures for the second prior fiscal year; or

28 2. If there is no increase in the implicit price deflator for
29 State and local government expenditures for the second prior fiscal year, the target
30 per pupil foundation amount for the prior fiscal year.

31 ~~[(14)]~~ (16) "Wealth" means the sum of:

32 (i) Net taxable income;

- 1 (ii) 100 percent of the assessed value of the operating real property
 2 of public utilities;
- 3 (iii) 40 percent of the assessed valuation of all other real property;
 4 and
- 5 (iv) 50 percent of assessed value of personal property.

6 (f) [(1)] For fiscal year 2004, the State share of the foundation program shall
 7 be adjusted to reflect regional differences in the cost of education that are due to
 8 factors outside the control of local jurisdictions, by increasing the State share of the
 9 foundation program otherwise determined for the following counties by:

- 10 [(i)] (1) 1% for Anne Arundel County;
- 11 [(ii)] (2) 3% for Baltimore City;
- 12 [(iii)] (3) 3% for Howard County; and
- 13 [(iv)] (4) 4% for Montgomery County.

14 [(2)] For fiscal year 2005 and each fiscal year thereafter, the State share
 15 of the foundation program shall be adjusted to reflect regional differences in the cost
 16 of education that are due to factors outside the control of local jurisdictions.

17 (3) The Department shall contract with a private entity to conduct a
 18 study to:

- 19 (i) Develop a Maryland specific geographic cost of education index
 20 to be implemented no later than fiscal year 2005; and
- 21 (ii) Provide recommendations as to how the index should be used to
 22 adjust State education funding.]

23 **Article - Health - General**

24 19-801.

25 In this subtitle, "compulsive gambler" means an individual:

- 26 (1) Who is preoccupied chronically and progressively with gambling and
 27 the urge to gamble; and
- 28 (2) Whose gambling behavior compromises, disrupts, or damages the
 29 individual's personal, family, or vocational pursuits.

30 19-802.

31 The General Assembly finds that:

- 32 (1) Compulsive gambling is a serious social problem;

1 (2) There is evidence that the availability of gambling increases the risk
 2 of becoming a compulsive gambler; and

3 (3) This State, with its extensive legalized gambling, has an obligation to
 4 provide a program of treatment for compulsive gamblers.

5 19-803.

6 [As a pilot project, the] THE Secretary shall establish [a center for] REGIONAL
 7 CENTERS TO PROVIDE SERVICES TO compulsive gamblers [at a place that the
 8 Secretary determines to be accessible to a major population center of this State].

9 19-804.

10 (a) (1) The Secretary ~~may~~ SHALL make grants from or agreements for the
 11 use of State FUNDS, INCLUDING THE FUNDS PROVIDED UNDER § 9-1A-32 OF THE
 12 STATE GOVERNMENT ARTICLE, and federal funds to help public agencies or nonprofit
 13 organizations operate the [center] CENTERS for compulsive gamblers and establish
 14 and operate ADDITIONAL local programs to provide the following for compulsive
 15 gamblers AND THEIR IMMEDIATE FAMILY MEMBERS:

16 (i) Inpatient services.

17 (ii) Outpatient services.

18 (iii) Partial care services.

19 (iv) Aftercare services.

20 (v) Consultative services.

21 (vi) Educational services.

22 (vii) Services for victims of domestic violence.

23 ~~(vii)~~ (viii) Other preventive or rehabilitative services or treatment.

24 (2) Research and training that are designed to improve or extend these
 25 services are proper items of expense.

26 (B) THE SECRETARY SHALL CONDUCT A PREVALENCE STUDY AND
 27 REPLICATION PREVALENCE STUDIES TO MEASURE THE RATE OF PROBLEM AND
 28 PATHOLOGICAL GAMBLING IN MARYLAND.

29 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE SECRETARY
 30 SHALL CONTRACT WITH AN INDEPENDENT RESEARCHER TO CONDUCT THE
 31 PREVALENCE STUDIES.

32 (2) THE SECRETARY SHALL UTILIZE THE MOST CURRENT PSYCHIATRIC
 33 OR DIAGNOSTIC CRITERIA FOR PROBLEM AND PATHOLOGICAL GAMBLING AS THE
 34 BASIS FOR THE PREVALENCE STUDIES.

1 (D) THE INITIAL PREVALENCE STUDY SHALL BE COMPLETED ON OR BEFORE
 2 SEPTEMBER 30, 2005.

3 (E) REPLICATION PREVALENCE STUDIES SHALL BE CONDUCTED NO LESS
 4 THAN EVERY 5 YEARS WITH MEASURES TAKEN TO PERMIT COMPARISONS BETWEEN
 5 THE INITIAL PREVALENCE STUDY AND SUBSEQUENT REPLICATION PREVALENCE
 6 STUDIES.

7 [(b)] (F) Services under this subtitle shall be provided by public agencies or,
 8 under contract, by nonprofit organizations.

9 **Article - State Government**

10 9-105.

11 (a) The Commission consists of [5] NINE members appointed by the Governor
 12 with the advice and consent of the Senate.

13 (b) (1) [Each] AT THE TIME OF APPOINTMENT, EACH member of the
 14 Commission [must be a resident and citizen of the State.] SHALL BE:

15 (I) AT LEAST 25 YEARS OLD;

16 (II) A RESIDENT OF THE STATE WHO HAS RESIDED IN THE STATE
 17 FOR AT LEAST 5 YEARS;

18 (III) A QUALIFIED VOTER OF THE STATE; AND

19 (IV) AN INDIVIDUAL WHO HAS NOT BEEN CONVICTED OF OR
 20 GRANTED PROBATION BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT
 21 INVOLVES MORAL TURPITUDE OR GAMBLING.

22 (2) A MEMBER OF THE COMMISSION MAY NOT:

23 (I) HAVE A DIRECT OR INDIRECT FINANCIAL INTEREST IN VIDEO
 24 LOTTERY TERMINALS;

25 (II) HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO HOLDS A
 26 LICENSE UNDER SUBTITLE 1A OF THIS TITLE; OR

27 (III) HOLD ANY STOCKS, BONDS, OR OTHER FINANCIAL INTEREST IN
 28 A PERSON HOLDING A LICENSE UNDER SUBTITLE 1A OF THIS TITLE.

29 (3) NO MORE THAN SIX MEMBERS MAY BE OF THE SAME POLITICAL
 30 PARTY.

31 (4) THE MEMBERS OF THE COMMISSION SHALL REFLECT THE
 32 GEOGRAPHIC, RACIAL, AND GENDER MAKEUP OF THE STATE.

33 (C) THE COMMISSION SHALL INCLUDE:

- 1 (1) ONE MEMBER WITH EXPERIENCE IN LAW ENFORCEMENT;
- 2 (2) ONE MEMBER WITH EXPERIENCE IN A FIELD RELATING TO FINANCE
3 OR INVESTMENTS;
- 4 (3) ONE MEMBER WHO IS A CERTIFIED PUBLIC ACCOUNTANT; AND
- 5 (4) ONE MEMBER WITH EXPERIENCE IN A FIELD OF INFORMATION
6 TECHNOLOGY.

7 [(c)] (D) (1) The term of a member is 4 years.

8 (2) The terms of members are staggered [as required by the terms
9 provided for members of the Commission on October 1, 1984].

10 (3) At the end of a term, a member continues to serve until a successor is
11 appointed and qualifies.

12 (4) A member who is appointed after a term has begun serves only for
13 the rest of the term and until a successor is appointed and qualifies.

14 [(d)] (E) (1) Subject to the hearing requirements of this subsection, the
15 Governor may remove a member for cause.

16 (2) Before the Governor removes a member, the Governor shall give the
17 member notice and an opportunity for a public hearing.

18 (F) THE GOVERNOR SHALL APPOINT ONE MEMBER OF THE COMMISSION TO
19 SERVE AS A LIAISON TO THE STATE RACING COMMISSION ESTABLISHED UNDER
20 TITLE 11 OF THE BUSINESS REGULATION ARTICLE.

21 9-108.

22 (d) As provided in the State budget, a member of the Commission:

23 (1) may receive compensation [as payment for attendance at
24 Commission meetings or other lottery functions in the amount of:

25 (i) \$125 per meeting attended, not to exceed \$1,500 annually for a
26 Commission member who is not the chairman; and

27 (ii) \$165 per meeting attended, not to exceed \$2,000 annually for
28 the Commission chairman]; and

29 (2) is entitled to reimbursement for reasonable expenses incurred in the
30 performance of the duties as a member.

1 SUBTITLE 1A. VIDEO LOTTERY TERMINALS.

2 9-1A-01.

3 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (B) "APPLICANT" MEANS A PERSON WHO APPLIES FOR ANY LICENSE
6 REQUIRED UNDER THIS SUBTITLE.

7 (C) "ASSOCIATED EQUIPMENT" MEANS HARDWARE LOCATED ON THE
8 LICENSEE'S PREMISES THAT IS CONNECTED TO THE VIDEO LOTTERY SYSTEM FOR
9 THE PURPOSE OF PERFORMING COMMUNICATION, VALIDATION, OR OTHER
10 FUNCTIONS, BUT NOT INCLUDING THE COMMUNICATION FACILITIES OF A
11 REGULATED UTILITY OR THE VIDEO LOTTERY TERMINALS.

12 (D) "AVERAGE ANNUAL PAYOUT PERCENTAGE" MEANS THE AVERAGE
13 ANNUAL PERCENTAGE OF MONEY USED BY PLAYERS TO PLAY A VIDEO LOTTERY
14 TERMINAL THAT IS RETURNED TO PLAYERS OF THAT VIDEO LOTTERY TERMINAL.

15 (E) "BACKGROUND INVESTIGATION" MEANS A SECURITY, CRIMINAL, AND
16 CREDIT INVESTIGATION OF A PERSON WHO APPLIES FOR OR WHO IS GRANTED A
17 LICENSE UNDER THIS SUBTITLE.

18 (F) "CAREER OFFENDER" MEANS A PERSON WHOSE BEHAVIOR IS PURSUED IN
19 AN OCCUPATIONAL MANNER OR CONTEXT FOR THE PURPOSE OF ECONOMIC GAIN
20 AND WHO UTILIZES METHODS THAT ARE DEEMED BY THE COMMISSION AS CRIMINAL
21 VIOLATIONS INIMICAL TO THE INTEREST OF THE STATE.

22 (G) "CAREER OFFENDER CARTEL" MEANS A GROUP OF PERSONS WHO
23 OPERATE TOGETHER AS CAREER OFFENDERS.

24 (H) "CENTRAL COMPUTER" MEANS A CENTRAL SITE COMPUTER PROVIDED TO
25 AND CONTROLLED BY THE COMMISSION TO WHICH VIDEO LOTTERY TERMINALS
26 COMMUNICATE FOR PURPOSES OF:

27 (1) INFORMATION RETRIEVAL; ~~AND~~

28 (2) RETRIEVAL OF THE WIN AND LOSS DETERMINATION FROM VIDEO
29 LOTTERY TERMINALS; AND

30 ~~(2)~~ (3) PROGRAMS TO ACTIVATE AND DISABLE VIDEO LOTTERY
31 TERMINALS.

32 (I) "COMMISSION" MEANS THE STATE LOTTERY COMMISSION.

33 (J) "CONTROL" MEANS THE AUTHORITY TO DIRECT THE MANAGEMENT AND
34 POLICIES OF AN APPLICANT OR LICENSEE.

1 (K) "COSTS" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE
2 EXPENSES INCURRED BY THE COMMISSION IN THE ADMINISTRATION OF THIS
3 SUBTITLE, INCLUDING:

4 (1) THE COSTS OF LEASING OR THE CAPITALIZED COST OF PURCHASING
5 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL
6 COMPUTER;

7 (2) THE COSTS TO REPAIR AND MAINTAIN THE VIDEO LOTTERY
8 TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER TO THE EXTENT
9 THESE COSTS ARE NOT INCLUDED IN THE COSTS OF LEASING OR PURCHASING THE
10 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER;

11 (3) THE COSTS OF TESTING AND EXAMINATION OF VIDEO LOTTERY
12 TERMINALS; AND

13 (4) THE COSTS OF PERFORMING BACKGROUND INVESTIGATIONS AND
14 OTHER RELATED ACTIVITIES.

15 (L) "FAMILY" MEANS SPOUSE, PARENTS, GRANDPARENTS, CHILDREN,
16 GRANDCHILDREN, SIBLINGS, UNCLES, AUNTS, NEPHEWS, NIECES, FATHERS-IN-LAW,
17 MOTHERS-IN-LAW, DAUGHTERS-IN-LAW, SONS-IN-LAW, BROTHERS-IN-LAW, AND
18 SISTERS-IN-LAW, WHETHER BY WHOLE BLOOD OR HALF BLOOD, BY MARRIAGE,
19 ADOPTION, OR NATURAL RELATIONSHIP.

20 (M) "LICENSE" MEANS, UNLESS THE CONTEXT OTHERWISE REQUIRES, A
21 LICENSE REQUIRED UNDER THIS SUBTITLE.

22 (N) "LICENSEE" MEANS AN APPLICANT WHO HAS BEEN ISSUED A LICENSE
23 REQUIRED UNDER THIS SUBTITLE.

24 (O) "MANUFACTURER" MEANS A PERSON:

25 (1) THAT IS ENGAGED IN THE BUSINESS OF DESIGNING, BUILDING,
26 CONSTRUCTING, ASSEMBLING, MANUFACTURING, OR DISTRIBUTING A CENTRAL
27 COMPUTER, A CENTRAL COMPUTER SOFTWARE SYSTEM, VIDEO LOTTERY
28 TERMINALS, ASSOCIATED EQUIPMENT, THE ELECTRONIC COMPUTER COMPONENTS
29 OF VIDEO LOTTERY TERMINALS, THE RANDOM NUMBER GENERATOR OF VIDEO
30 LOTTERY TERMINALS, OR THE CABINET IN WHICH A VIDEO LOTTERY TERMINAL IS
31 HOUSED;

32 (2) THAT PRODUCES A PRODUCT THAT IS INTENDED FOR SALE, LEASE,
33 OR OTHER ASSIGNMENT TO THE COMMISSION OR A LICENSEE; AND

34 (3) THAT CONTRACTS WITH THE COMMISSION OR A LICENSEE FOR THE
35 SALE, LEASE, OR OTHER ASSIGNMENT.

36 (P) "NONRACETRACK DESTINATION LOCATION" MEANS A LOCATION THAT IS
37 NOT A RACETRACK THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED IN THE MANNER
38 PROVIDED BY LAW A VIDEO LOTTERY OPERATION LICENSE.

1 (Q) "OWN" MEANS HAVING A BENEFICIAL OR PROPRIETARY INTEREST OF AT
2 LEAST 10% IN THE PROPERTY OR BUSINESS OF AN APPLICANT OR LICENSEE.

3 (R) "PLAYER" MEANS AN INDIVIDUAL WHO PLAYS A VIDEO LOTTERY
4 TERMINAL AT A VIDEO LOTTERY FACILITY LICENSED BY THE COMMISSION.

5 (S) "PROCEEDS" MEANS THE PART OF THE AMOUNT OF MONEY BET THROUGH
6 VIDEO LOTTERY TERMINALS THAT IS NOT RETURNED TO SUCCESSFUL PLAYERS BUT
7 IS OTHERWISE ALLOCATED UNDER THIS SUBTITLE.

8 (T) "PROGRESSIVE JACKPOT" MEANS A PRIZE THAT INCREASES AS ONE OR
9 MORE VIDEO LOTTERY TERMINALS ARE CONNECTED TO A PROGRESSIVE JACKPOT
10 SYSTEM.

11 (U) "PROGRESSIVE JACKPOT SYSTEM" MEANS THE CAPABILITY OF THE
12 CENTRAL COMPUTER TO LINK ONE OR MORE VIDEO LOTTERY TERMINALS IN ONE OR
13 MORE LICENSED FACILITIES AND TO OFFER ONE OR MORE COMMON PROGRESSIVE
14 JACKPOTS.

15 (V) "RACETRACK LOCATION" MEANS A LOCATION AT A RACETRACK THAT
16 HOLDS A LICENSE FROM THE STATE RACING COMMISSION TO HOLD A RACE
17 MEETING AND THAT IS ELIGIBLE FOR OR HAS BEEN AWARDED A VIDEO LOTTERY
18 OPERATION LICENSE IN THE MANNER PROVIDED BY LAW.

19 (~~V~~) (W) "VIDEO LOTTERY" MEANS GAMING OR BETTING CONDUCTED USING
20 A VIDEO LOTTERY TERMINAL.

21 (~~W~~) (X) "VIDEO LOTTERY EMPLOYEE" MEANS AN EMPLOYEE OF A PERSON
22 WHO HOLDS A LICENSE.

23 (~~X~~) (Y) "VIDEO LOTTERY FACILITY" MEANS A FACILITY AT WHICH PLAYERS
24 PLAY VIDEO LOTTERY TERMINALS UNDER THIS SUBTITLE.

25 (~~Y~~) (Z) "VIDEO LOTTERY OPERATION LICENSE" MEANS A LICENSE ISSUED
26 TO A PERSON THAT ALLOWS PLAYERS TO OPERATE VIDEO LOTTERY TERMINALS.

27 (~~Z~~) (AA) (1) "VIDEO LOTTERY TERMINAL" MEANS ANY MACHINE OR OTHER
28 DEVICE THAT, ON INSERTION OF A BILL, COIN, TOKEN, VOUCHER, TICKET, COUPON,
29 OR SIMILAR ITEM, OR ON PAYMENT OF ANY CONSIDERATION:

30 (I) IS AVAILABLE TO PLAY OR SIMULATE THE PLAY OF ANY GAME
31 OF CHANCE IN WHICH THE RESULTS, INCLUDING THE OPTIONS AVAILABLE TO THE
32 PLAYER, ARE RANDOMLY AND IMMEDIATELY DETERMINED BY THE MACHINE OR
33 OTHER DEVICE; AND

34 (II) BY THE ELEMENT OF CHANCE, MAY DELIVER OR ENTITLE THE
35 PLAYER WHO OPERATES THE MACHINE OR DEVICE TO RECEIVE CASH, PREMIUMS,
36 MERCHANDISE, TOKENS, OR ANYTHING OF VALUE, WHETHER THE PAYOUT IS MADE
37 AUTOMATICALLY FROM THE DEVICE OR IN ANY OTHER MANNER.

1 (2) "VIDEO LOTTERY TERMINAL" INCLUDES A MACHINE OR DEVICE:

2 (I) THAT DOES NOT DIRECTLY DISPENSE MONEY, TOKENS, OR
3 ANYTHING OF VALUE TO WINNING PLAYERS; AND

4 (II) DESCRIBED UNDER PARAGRAPH (1) OF THIS SUBSECTION THAT
5 USES AN ELECTRONIC CREDIT SYSTEM MAKING THE DEPOSIT OF BILLS, COINS, OR
6 TOKENS UNNECESSARY.

7 (3) "VIDEO LOTTERY TERMINAL" DOES NOT INCLUDE AN AUTHORIZED
8 SLOT MACHINE OPERATED BY AN ELIGIBLE ORGANIZATION UNDER TITLE 12,
9 SUBTITLE 3 OF THE CRIMINAL LAW ARTICLE.

10 9-1A-02.

11 (A) THIS SUBTITLE IS STATEWIDE AND EXCLUSIVE IN ITS EFFECT.

12 (B) THE COMMISSION SHALL REGULATE THE OPERATION OF VIDEO LOTTERY
13 TERMINALS IN ACCORDANCE WITH THIS SUBTITLE.

14 (C) (1) THIS SUBTITLE AUTHORIZES THE OPERATION OF VIDEO LOTTERY
15 TERMINALS CONNECTED TO A CENTRAL COMPUTER THAT ALLOWS THE COMMISSION
16 TO MONITOR A VIDEO LOTTERY TERMINAL.

17 (2) THE COMMISSION SHALL PROVIDE AND OPERATE A SINGLE
18 CENTRAL COMPUTER INTO WHICH ALL LICENSED VIDEO LOTTERY TERMINALS MUST
19 BE CONNECTED.

20 (3) THE CENTRAL COMPUTER SHALL BE CAPABLE OF:

21 (I) CONFORMING TO THE PROTOCOLS OF THE VIDEO LOTTERY
22 TERMINALS LEASED OR PURCHASED BY THE COMMISSION UNDER THIS SUBTITLE;

23 (II) CONTINUOUSLY MONITORING, RETRIEVING, AND AUDITING
24 THE OPERATIONS, FINANCIAL DATA, AND PROGRAM INFORMATION OF ALL VIDEO
25 LOTTERY TERMINALS;

26 (III) ALLOWING THE COMMISSION TO ACCOUNT FOR ALL MONEY
27 INSERTED IN AND PAYOUTS MADE FROM ANY VIDEO LOTTERY TERMINAL;

28 (IV) DISABLING FROM OPERATION OR PLAY ANY VIDEO LOTTERY
29 TERMINAL AS THE COMMISSION DEEMS NECESSARY TO CARRY OUT THE PROVISIONS
30 OF THIS SUBTITLE; AND

31 (V) SUPPORTING A PROGRESSIVE JACKPOT SYSTEM CAPABLE OF
32 OPERATING ONE OR MORE PROGRESSIVE JACKPOTS.

33 (4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
34 PARAGRAPH, THE COMMISSION MAY NOT ALLOW A VIDEO LOTTERY OPERATION
35 LICENSEE TO HAVE ACCESS TO THE CENTRAL COMPUTER SYSTEM OR INFORMATION
36 FROM THE CENTRAL COMPUTER SYSTEM.

1 (II) PROVIDED THE ACCESS DOES NOT IN ANY WAY AFFECT THE
2 INTEGRITY OR SECURITY OF THE CENTRAL COMPUTER SYSTEM, THE COMMISSION
3 MAY ALLOW A VIDEO LOTTERY OPERATION LICENSEE TO HAVE ACCESS TO
4 INFORMATION FROM THE CENTRAL COMPUTER THAT ALLOWS THE LICENSEE TO
5 OPERATE A PLAYER TRACKING SYSTEM OR OBTAIN OTHER INFORMATION
6 PERTINENT TO THE LEGITIMATE OPERATION OF A VIDEO LOTTERY FACILITY.

7 (D) ONLY A PERSON WITH A VIDEO LOTTERY OPERATION LICENSE ISSUED BY
8 THE COMMISSION MAY OFFER A VIDEO LOTTERY TERMINAL FOR PUBLIC USE IN THE
9 STATE UNDER THIS SUBTITLE.

10 9-1A-03.

11 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ANY
12 ADDITIONAL FORMS OR EXPANSION OF COMMERCIAL GAMING OTHER THAN AS
13 EXPRESSLY PROVIDED IN THIS SUBTITLE ARE PROHIBITED.

14 (B) THIS SECTION SUBTITLE, INCLUDING THE AUTHORITY PROVIDED TO THE
15 COMMISSION UNDER THIS SUBTITLE, DOES NOT APPLY TO:

16 (1) LOTTERIES CONDUCTED UNDER SUBTITLE 1 OF THIS TITLE;

17 (2) WAGERING ON HORSE RACING CONDUCTED UNDER TITLE 11 OF THE
18 BUSINESS REGULATION ARTICLE;

19 (3) THE OPERATION OF SLOT MACHINES AS PROVIDED UNDER TITLES 12
20 AND 13 OF THE CRIMINAL LAW ARTICLE; OR

21 (4) ~~OTHER GAMING CONDUCTED BY A BONA FIDE FRATERNAL, CIVIC,~~
22 ~~WAR VETERANS', RELIGIOUS OR CHARITABLE ORGANIZATION, VOLUNTEER FIRE~~
23 ~~COMPANY, OR SUBSTANTIALLY SIMILAR ORGANIZATION UNDER TITLES 12 AND 13 OF~~
24 ~~THE CRIMINAL LAW ARTICLE.~~

25 9-1A-04.

26 (A) THE COMMISSION SHALL:

27 (1) HEAR AND DECIDE, PROMPTLY AND IN REASONABLE ORDER,
28 LICENSE APPLICATIONS AND CAUSES AFFECTING THE GRANTING, SUSPENSION,
29 REVOCATION, OR RENEWAL OF LICENSES UNDER THIS SUBTITLE;

30 (2) AFTER A HEARING, SUSPEND OR REVOKE AS APPLICABLE THE
31 LICENSE OF A LICENSEE WHO HAS A LICENSE SUSPENDED OR REVOKED IN
32 ANOTHER STATE;

33 (3) CONDUCT HEARINGS CONCERNING CIVIL VIOLATIONS OF THIS
34 SUBTITLE OR REGULATIONS ISSUED UNDER THIS SUBTITLE;

35 (4) COLLECT APPLICATION, LICENSE, AND OTHER FEES TO COVER THE
36 ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED TO LICENSING;

1 (5) DEPOSIT APPLICATION, LICENSE, AND OTHER FEES TO A BANK
2 ACCOUNT THAT THE STATE TREASURER DESIGNATES TO THE CREDIT OF THE STATE
3 LOTTERY FUND TO COVER THE ADMINISTRATIVE COSTS OF THIS SUBTITLE RELATED
4 TO LICENSING;

5 (6) LEVY AND COLLECT CIVIL PENALTIES FOR CIVIL VIOLATIONS OF
6 THE PROVISIONS OF THIS SUBTITLE OR REGULATIONS ISSUED UNDER THIS
7 SUBTITLE;

8 (7) BE PRESENT AT A VIDEO LOTTERY OPERATION THROUGH ITS
9 EMPLOYEES AND AGENTS AT ANY TIME DURING THE OPERATION OF ANY VIDEO
10 LOTTERY TERMINAL FOR THE PURPOSE OF CERTIFYING REVENUE FROM THE VIDEO
11 LOTTERY TERMINALS, RECEIVING COMPLAINTS FROM THE PUBLIC, AND
12 CONDUCTING ANY OTHER INVESTIGATION INTO THE OPERATION OF THE VIDEO
13 LOTTERY TERMINALS AND THE MAINTENANCE OF THE VIDEO LOTTERY TERMINALS
14 AND ASSOCIATED EQUIPMENT AS THE COMMISSION MAY DEEM NECESSARY AND
15 PROPER; AND

16 (8) REVIEW AND RULE ON ANY COMPLAINT BY A LICENSEE REGARDING
17 ANY INVESTIGATIVE PROCEDURES OF THE COMMISSION THAT ARE UNNECESSARILY
18 DISRUPTIVE OF VIDEO LOTTERY OPERATIONS.

19 (B) THE COMMISSION MAY:

20 (1) ISSUE SUBPOENAS TO COMPEL THE ATTENDANCE OF WITNESSES AT
21 ANY PLACE WITHIN THE STATE IN THE COURSE OF ANY INVESTIGATION OR HEARING
22 UNDER THIS SUBTITLE;

23 (2) ADMINISTER OATHS AND REQUIRE TESTIMONY UNDER OATH
24 BEFORE THE COMMISSION IN THE COURSE OF ANY INVESTIGATION OR HEARING
25 CONDUCTED UNDER THIS SUBTITLE;

26 (3) SERVE OR CAUSE TO BE SERVED ITS PROCESS OR NOTICES IN A
27 MANNER PROVIDED FOR SERVICE OF PROCESS IN CIVIL ACTIONS UNDER THE
28 MARYLAND RULES; AND

29 (4) PROPOUND WRITTEN INTERROGATORIES.

30 (C) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE COMMISSION
31 SHALL CONDUCT A HEARING IN THE SAME MANNER AS SPECIFIED IN TITLE 10,
32 SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

33 (D) THE COMMISSION SHALL ADOPT REGULATIONS THAT INCLUDE THE
34 FOLLOWING SPECIFIC PROVISIONS IN ACCORDANCE WITH THIS SUBTITLE:

35 (1) ESTABLISHING THE METHODS AND FORMS OF APPLICATION THAT
36 AN APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE SHALL FOLLOW
37 AND COMPLETE BEFORE CONSIDERATION OF THE APPLICATION BY THE
38 COMMISSION;

1 (2) ESTABLISHING THE METHODS, PROCEDURES, AND FORM FOR
2 DELIVERY OF INFORMATION FROM AN APPLICANT OR LICENSEE CONCERNING ANY
3 PERSON'S FAMILY, HABITS, CHARACTER, ASSOCIATES, CRIMINAL RECORD, BUSINESS
4 ACTIVITIES, AND FINANCIAL AFFAIRS;

5 (3) ESTABLISHING THE PROCEDURES FOR THE FINGERPRINTING OF AN
6 APPLICANT FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE OR OTHER
7 METHODS OF IDENTIFICATION THAT MAY BE NECESSARY IN THE JUDGMENT OF THE
8 COMMISSION TO ACCOMPLISH EFFECTIVE ENFORCEMENT OF THE PROVISIONS OF
9 THIS SUBTITLE;

10 (4) ESTABLISHING THE MANNER AND PROCEDURE OF HEARINGS
11 CONDUCTED BY THE COMMISSION;

12 (5) ESTABLISHING THE MANNER AND METHOD OF COLLECTION OF
13 TAXES, FEES, AND CIVIL PENALTIES;

14 (6) DEFINING AND LIMITING THE AREAS OF OPERATION FOR VIDEO
15 LOTTERY TERMINALS, RULES OF VIDEO LOTTERY TERMINALS, ODDS FOR VIDEO
16 LOTTERY TERMINALS, AND THE METHOD OF OPERATION OF THE VIDEO LOTTERY
17 TERMINALS;

18 (7) REGULATING THE PRACTICE AND PROCEDURES FOR NEGOTIABLE
19 TRANSACTIONS INVOLVING PLAYERS, INCLUDING LIMITATIONS ON THE
20 CIRCUMSTANCES AND AMOUNTS OF NEGOTIABLE TRANSACTIONS AND THE
21 ESTABLISHMENT OF FORMS AND PROCEDURES FOR NEGOTIABLE INSTRUMENT
22 TRANSACTIONS, REDEMPTIONS, AND CONSOLIDATIONS;

23 (8) PRESCRIBING THE GROUNDS AND PROCEDURES FOR REPRIMANDS
24 OF LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER
25 THIS SUBTITLE;

26 (9) GOVERNING THE MANUFACTURE, DISTRIBUTION, SALE, AND
27 SERVICING OF VIDEO LOTTERY TERMINALS;

28 (10) ESTABLISHING THE PROCEDURES, FORMS, AND METHODS OF
29 MANAGEMENT CONTROLS;

30 (11) PROVIDING FOR MINIMUM UNIFORM STANDARDS OF ACCOUNTANCY
31 METHODS, PROCEDURES, AND FORMS AS ARE NECESSARY TO ASSURE CONSISTENCY,
32 COMPARABILITY, AND EFFECTIVE DISCLOSURE OF ALL FINANCIAL INFORMATION,
33 INCLUDING PERCENTAGES OF PROFIT FOR VIDEO LOTTERY TERMINALS;

34 (12) ESTABLISHING PERIODIC FINANCIAL REPORTS AND THE FORM OF
35 THE REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A CERTIFIED PUBLIC
36 ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE, DISCLOSING WHETHER
37 THE ACCOUNTS, RECORDS, AND CONTROL PROCEDURES EXAMINED ARE
38 MAINTAINED BY THE VIDEO LOTTERY OPERATION LICENSEE AS REQUIRED BY THIS
39 SUBTITLE AND THE REGULATIONS THAT SHALL BE ISSUED UNDER THIS SUBTITLE;

1 (13) REQUIRING LICENSEES UNDER THIS SUBTITLE TO DEMONSTRATE
2 AND MAINTAIN FINANCIAL VIABILITY;

3 (14) ENSURING THAT THE OPERATION OF VIDEO LOTTERY TERMINALS
4 AND VIDEO LOTTERY FACILITIES IS CONDUCTED LEGALLY; AND

5 (15) OTHERWISE CARRYING OUT THE PROVISIONS OF THIS SUBTITLE.

6 (E) (1) THE COMMISSION ~~MAY~~ SHALL BY REGULATION REQUIRE AN
7 APPLICANT OR LICENSEE TO FILE A BOND FOR THE BENEFIT OF THE STATE FOR THE
8 FAITHFUL PERFORMANCE OF THE REQUIREMENTS IMPOSED BY THIS SUBTITLE AND
9 ANY REGULATIONS ISSUED UNDER THIS SUBTITLE.

10 (2) IF THE COMMISSION REQUIRES A BOND UNDER PARAGRAPH (1) OF
11 THIS SUBSECTION, AN APPLICANT OR LICENSEE SHALL OBTAIN AND SUBMIT
12 SATISFACTORY PROOF OF THE BOND TO THE COMMISSION BEFORE A LICENSE IS
13 ISSUED OR REISSUED.

14 (3) THE BONDS FURNISHED MAY BE APPLIED BY THE COMMISSION TO
15 THE PAYMENT OF AN UNPAID LIABILITY OF THE LICENSEE.

16 (F) (1) THE COMMISSION SHALL PROMPTLY AND THOROUGHLY
17 INVESTIGATE ALL APPLICATIONS AND ENFORCE THIS SUBTITLE AND REGULATIONS
18 THAT ARE ADOPTED UNDER THIS SUBTITLE.

19 (2) THE COMMISSION AND ITS EMPLOYEES AND AGENTS SHALL HAVE
20 THE AUTHORITY, WITHOUT NOTICE AND WITHOUT WARRANT, TO:

21 (I) INSPECT AND EXAMINE ALL PREMISES IN WHICH VIDEO
22 LOTTERY OPERATIONS UNDER THIS SUBTITLE ARE CONDUCTED OR ANY
23 AUTHORIZED VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, OR CENTRAL
24 COMPUTER IS DESIGNED, BUILT, CONSTRUCTED, ASSEMBLED, MANUFACTURED,
25 SOLD, DISTRIBUTED, OR SERVICED, OR IN WHICH RECORDS OF THOSE ACTIVITIES
26 ARE PREPARED OR MAINTAINED;

27 (II) INSPECT ANY VIDEO LOTTERY TERMINALS, ASSOCIATED
28 EQUIPMENT, OR CENTRAL COMPUTER IN, ABOUT, ON, OR AROUND THOSE PREMISES;

29 (III) SEIZE SUMMARILY AND REMOVE FROM THOSE PREMISES AND
30 IMPOUND, OR ASSUME PHYSICAL CONTROL OF, ANY VIDEO LOTTERY TERMINALS,
31 ASSOCIATED EQUIPMENT, OR CENTRAL COMPUTER FOR THE PURPOSES OF
32 EXAMINATION AND INSPECTION;

33 (IV) INSPECT, EXAMINE, AND AUDIT BOOKS, RECORDS, AND
34 DOCUMENTS CONCERNING A LICENSEE'S VIDEO LOTTERY OPERATIONS, INCLUDING
35 THE FINANCIAL RECORDS OF A PARENT CORPORATION, SUBSIDIARY CORPORATION,
36 OR SIMILAR BUSINESS ENTITY; AND

37 (V) SEIZE, IMPOUND, OR ASSUME PHYSICAL CONTROL OF BOOKS,
38 RECORDS, LEDGERS, CASH BOXES AND THEIR CONTENTS, A COUNTING ROOM OR ITS

1 EQUIPMENT, OR OTHER PHYSICAL OBJECTS RELATING TO VIDEO LOTTERY
2 OPERATIONS.

3 (3) A LICENSEE SHALL AUTHORIZE ANY OTHER PERSON HAVING
4 FINANCIAL RECORDS RELATING TO THE LICENSEE TO PROVIDE THOSE RECORDS TO
5 THE COMMISSION.

6 9-1A-05.

7 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT ISSUE
8 ~~NO~~ MORE THAN SIX VIDEO LOTTERY OPERATION LICENSES.

9 (B) THE FOLLOWING PERSONS MAY SUBMIT AN APPLICATION FOR A VIDEO
10 LOTTERY OPERATION LICENSE:

11 (1) ~~THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT
12 LAUREL PARK IN ANNE ARUNDEL COUNTY;~~

13 (2) ~~THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR THE
14 PIMLICO RACE COURSE IN BALTIMORE CITY;~~

15 (3) ~~THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING FOR THE
16 ROSECROFT RACEWAY IN PRINCE GEORGE'S COUNTY;~~

17 (4) ~~THE HOLDER OF THE LICENSE TO HOLD A RACE MEETING AT THE
18 HORSE RACECOURSE IN ALLEGANY COUNTY; AND~~

19 (1) AN OWNER OF A RACETRACK LOCATION DESCRIBED IN § 9-1A-34 OF
20 THIS SUBTITLE; AND

21 (2) ~~(2)~~ AN OWNER OR OPERATOR OF A NONRACETRACK DESTINATION
22 LOCATION DESCRIBED UNDER § 9-1A-34 OF THIS SUBTITLE.

23 (C) ~~EXCEPT FOR NONRACETRACK DESTINATION LOCATIONS, THE
24 COMMISSION MAY ONLY ISSUE A VIDEO LOTTERY OPERATION LICENSE:~~

25 (1) ~~TO AN APPLICANT WHO IS THE HOLDER OF A LICENSE TO HOLD A
26 RACE MEETING DESCRIBED UNDER SUBSECTION (B) OF THIS SECTION; AND~~

27 (2) ~~FOR A GEOGRAPHIC LOCATION IN ALLEGANY COUNTY OR FOR THE
28 GEOGRAPHIC LOCATION ON JUNE 1, 2004, OF THE HORSE RACECOURSE FOR WHICH
29 THE APPLICANT HOLDS THE LICENSE TO HOLD A RACE MEETING.~~

30 (C) A LICENSE ISSUED UNDER THIS SUBTITLE IS NOT VALID AT A
31 GEOGRAPHIC LOCATION OTHER THAN THE GEOGRAPHIC LOCATION OF THE
32 RACETRACK LOCATION OR THE NONRACETRACK DESTINATION LOCATION AT THE
33 TIME THE LICENSE IS ISSUED.

34 (D) (1) A VIDEO LOTTERY OPERATION LICENSEE AT A RACETRACK
35 LOCATION IN THE STATE MAY NOT HOLD A VIDEO LOTTERY OPERATION LICENSE OR

1 BE AN OWNER OF AN ENTITY THAT HOLDS A VIDEO LOTTERY OPERATION LICENSE
2 AT A NONRACETRACK DESTINATION LOCATION IN THE STATE.

3 (2) A VIDEO LOTTERY OPERATION LICENSEE AT A NONRACETRACK
4 DESTINATION LOCATION IN THE STATE MAY NOT HOLD A VIDEO LOTTERY
5 OPERATION LICENSE OR BE AN OWNER OF AN ENTITY THAT HOLDS A VIDEO
6 LOTTERY OPERATION LICENSE AT A RACETRACK LOCATION IN THE STATE.

7 (E) (1) IN THIS SUBSECTION, "BUSINESS ENTITY" INCLUDES ANY TYPE OF
8 OWNER OR BENEFICIARY OF THE BUSINESS ENTITY INCLUDING AN OFFICER,
9 DIRECTOR, PRINCIPAL EMPLOYEE, PARTNER, INVESTOR, STOCKHOLDER, OR
10 BENEFICIAL OWNER OF THE BUSINESS ENTITY.

11 (2) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN AN INTEREST
12 IN MORE THAN TWO VIDEO LOTTERY FACILITIES AT RACETRACK LOCATIONS.

13 (3) AN INDIVIDUAL OR BUSINESS ENTITY MAY NOT OWN AN INTEREST
14 IN MORE THAN TWO VIDEO LOTTERY FACILITIES AT NONRACETRACK DESTINATION
15 LOCATIONS.

16 9-1A-06.

17 (A) THE FOLLOWING PERSONS SHALL BE LICENSED UNDER THIS SUBTITLE:

18 (1) A VIDEO LOTTERY OPERATOR;

19 (2) A MANUFACTURER;

20 (3) A PERSON NOT LICENSED UNDER ITEM (1) OR (2) OF THIS
21 SUBSECTION WHO MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR
22 PROVIDES SERVICE, MAINTENANCE, OR REPAIRS FOR VIDEO LOTTERY TERMINALS;
23 AND

24 (4) A VIDEO LOTTERY EMPLOYEE.

25 (B) THE COMMISSION MAY BY REGULATION REQUIRE A PERSON THAT
26 CONTRACTS WITH A LICENSEE AND THE PERSON'S EMPLOYEES TO OBTAIN A
27 LICENSE UNDER THIS SUBTITLE IF THE COMMISSION DETERMINES THAT THE
28 LICENSING REQUIREMENTS ARE NECESSARY IN ORDER TO PROTECT THE PUBLIC
29 INTEREST AND ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.

30 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
31 UNLESS AN INDIVIDUAL HOLDS A VALID LICENSE ISSUED UNDER THIS SUBTITLE,
32 THE INDIVIDUAL MAY NOT BE EMPLOYED BY A LICENSEE AS A VIDEO LOTTERY
33 EMPLOYEE.

34 (2) THE COMMISSION BY REGULATION MAY EXEMPT CATEGORIES OF
35 VIDEO LOTTERY EMPLOYEES WHO ARE NOT DIRECTLY INVOLVED IN THE VIDEO
36 LOTTERY OPERATIONS FROM THE REQUIREMENT UNDER PARAGRAPH (1) OF THIS
37 SUBSECTION IF THE COMMISSION DETERMINES THAT THE REQUIREMENT IS NOT

1 NECESSARY IN ORDER TO PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE
2 POLICIES ESTABLISHED UNDER THIS SUBTITLE.

3 9-1A-07.

4 (A) AN APPLICANT FOR A LICENSE SHALL SUBMIT TO THE COMMISSION AN
5 APPLICATION:

6 (1) IN THE FORM THAT THE COMMISSION REQUIRES; AND

7 (2) ON OR BEFORE THE DATE SET BY THE COMMISSION.

8 (B) (1) THIS SUBSECTION DOES NOT APPLY TO LICENSE FEES FOR A VIDEO
9 LOTTERY OPERATION LICENSE.

10 (2) THE COMMISSION ~~MAY~~ SHALL BY REGULATION ESTABLISH A FEE
11 FOR A LICENSE UNDER THIS SUBTITLE.

12 (3) IF THE COMMISSION ESTABLISHES A FEE FOR A LICENSE, AN
13 APPLICANT SHALL SUBMIT THE FEE WITH THE APPLICATION.

14 (C) (1) APPLICANTS AND LICENSEES SHALL HAVE THE AFFIRMATIVE
15 RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE
16 PERSON'S QUALIFICATIONS.

17 (2) APPLICANTS AND LICENSEES SHALL PROVIDE INFORMATION
18 REQUIRED BY THIS SUBTITLE AND SATISFY REQUESTS FOR INFORMATION RELATING
19 TO QUALIFICATIONS IN THE FORM SPECIFIED BY THE COMMISSION.

20 (3) APPLICANTS AND LICENSEES SHALL CONSENT TO INSPECTIONS,
21 SEARCHES, AND SEIZURES AUTHORIZED BY THIS SUBTITLE OR REGULATIONS
22 ISSUED UNDER THIS SUBTITLE.

23 (4) (I) APPLICANTS AND LICENSEES SHALL HAVE THE CONTINUING
24 DUTY TO:

25 1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED BY
26 THE COMMISSION; AND

27 2. COOPERATE IN AN INQUIRY, INVESTIGATION, OR
28 HEARING CONDUCTED BY THE COMMISSION.

29 (II) ON ISSUANCE OF A FORMAL REQUEST TO ANSWER OR
30 PRODUCE INFORMATION, EVIDENCE, OR TESTIMONY, IF AN APPLICANT OR LICENSEE
31 REFUSES TO COMPLY, THE APPLICATION OR LICENSE OF THE PERSON MAY BE
32 DENIED, SUSPENDED, OR REVOKED BY THE COMMISSION.

33 (5) (I) IF THE APPLICANT IS AN INDIVIDUAL, THE APPLICANT SHALL
34 BE PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND
35 INVESTIGATION PURPOSES.

1 (II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE COMMISSION
2 BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS WHO SHALL BE
3 PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND INVESTIGATION
4 PURPOSES.

5 (6) (I) APPLICANTS AND LICENSEES SHALL HAVE A DUTY TO INFORM
6 THE COMMISSION OF AN ACT OR OMISSION THAT THE PERSON KNOWS OR SHOULD
7 KNOW CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE REGULATIONS ISSUED
8 UNDER THIS SUBTITLE.

9 (II) APPLICANTS AND LICENSEES MAY NOT DISCRIMINATE
10 AGAINST A PERSON WHO IN GOOD FAITH INFORMS THE COMMISSION OF AN ACT OR
11 OMISSION THAT THE PERSON BELIEVES CONSTITUTES A VIOLATION OF THIS
12 SUBTITLE OR THE REGULATIONS ISSUED UNDER THIS SUBTITLE.

13 (7) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,
14 DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING
15 QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:

16 (I) THE FINANCIAL STABILITY, INTEGRITY, AND RESPONSIBILITY
17 OF THE APPLICANT OR LICENSEE;

18 (II) THE INTEGRITY OF ANY FINANCIAL BACKERS, INVESTORS,
19 MORTGAGEES, BONDHOLDERS, AND HOLDERS OF OTHER EVIDENCES OF
20 INDEBTEDNESS THAT BEAR A RELATION TO THE APPLICATION;

21 (III) THE APPLICANT'S OR LICENSEE'S GOOD CHARACTER, HONESTY,
22 AND INTEGRITY; AND

23 (IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE
24 APPLICANT OR LICENSEE.

25 (D) ON THE FILING OF AN APPLICATION FOR ANY LICENSE REQUIRED UNDER
26 THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE
27 COMMISSION, THE COMMISSION SHALL:

28 (1) REFER THE APPLICATION TO THE DEPARTMENT OF STATE POLICE
29 TO CONDUCT A BACKGROUND INVESTIGATION UNDER § 9-1A-20 OF THIS SUBTITLE
30 ON THE QUALIFICATIONS OF THE APPLICANT AND ANY PERSON WHO IS REQUIRED
31 TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE; AND

32 (2) IF THE APPLICANT IS APPLYING FOR A VIDEO LOTTERY OPERATION
33 LICENSE, CONDUCT A HEARING ON THE QUALIFICATIONS OF THE APPLICANT AND
34 ANY PERSON WHO IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A
35 CONDITION OF A LICENSE.

36 (E) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND
37 INVESTIGATION AND CONDUCTING ANY HEARING REQUIRED UNDER THIS SUBTITLE,
38 THE COMMISSION MAY EITHER GRANT A LICENSE TO AN APPLICANT WHOM THE
39 COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE LICENSE TO AN

1 APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT QUALIFIED OR
2 DISQUALIFIED.

3 (2) IF AN APPLICATION FOR A LICENSE IS DENIED, THE COMMISSION
4 SHALL PREPARE AND FILE AN ORDER DENYING THE LICENSE WITH A STATEMENT OF
5 THE REASONS FOR THE DENIAL, INCLUDING THE SPECIFIC FINDINGS OF FACT.

6 (F) EXCEPT AS PROVIDED IN § 9-1A-13 OF THIS SUBTITLE, IF SATISFIED THAT
7 AN APPLICANT IS QUALIFIED TO RECEIVE A LICENSE, AND ON TENDER OF ALL
8 REQUIRED APPLICATION, LICENSE, AND OTHER FEES AND TAXES, AND ANY BOND
9 REQUIRED UNDER § 9-1A-04(E) OF THIS SUBTITLE, THE COMMISSION SHALL ISSUE A
10 LICENSE FOR A TERM OF 1 YEAR.

11 (G) (1) AN INDIVIDUAL MAY NOT KNOWINGLY GIVE FALSE INFORMATION
12 OR MAKE A MATERIAL MISSTATEMENT IN AN APPLICATION REQUIRED FOR ANY
13 LICENSE UNDER THIS SUBTITLE OR IN ANY SUPPLEMENTAL INFORMATION
14 REQUIRED BY THE COMMISSION.

15 (2) AN INDIVIDUAL WHO VIOLATES THIS SECTION IS GUILTY OF A
16 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT
17 EXCEEDING 3 YEARS OR A FINE NOT EXCEEDING \$5,000 OR BOTH.

18 9-1A-08.

19 (A) IN ADDITION TO OTHER INFORMATION REQUIRED BY THIS SUBTITLE, A
20 BUSINESS ENTITY APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE SHALL
21 PROVIDE THE FOLLOWING INFORMATION:

22 (1) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF ALL
23 BUSINESSES OPERATED BY THE BUSINESS ENTITY;

24 (2) THE NAMES, PERSONAL EMPLOYMENT, AND CRIMINAL HISTORIES
25 OF THE OFFICERS, DIRECTORS, PARTNERS, AND PRINCIPAL EMPLOYEES OF THE
26 BUSINESS ENTITY;

27 (3) THE NAMES OF ALL HOLDING, INTERMEDIARY, AND SUBSIDIARY
28 COMPANIES OR OTHER SIMILAR BUSINESS ENTITIES OF THE BUSINESS ENTITY;

29 (4) THE ORGANIZATION, FINANCIAL STRUCTURE, AND NATURE OF ALL
30 BUSINESSES OPERATED BY THE BUSINESS ENTITY'S HOLDING, INTERMEDIARY, AND
31 SUBSIDIARY COMPANIES OR OTHER SIMILAR BUSINESS ENTITIES;

32 (5) THE RIGHTS AND PRIVILEGES ACQUIRED BY THE HOLDERS OF
33 DIFFERENT CLASSES OF AUTHORIZED SECURITIES, PARTNERSHIP INTERESTS, OR
34 OTHER SIMILAR OWNERSHIP INTERESTS OF THE BUSINESS ENTITY AND ITS
35 HOLDING, INTERMEDIARY, AND SUBSIDIARY COMPANIES OR OTHER SIMILAR
36 BUSINESS ENTITIES;

37 (6) THE TERMS ON WHICH THE SECURITIES, PARTNERSHIP INTERESTS,
38 OR OTHER SIMILAR OWNERSHIP INTERESTS HAVE BEEN OR ARE TO BE OFFERED;

1 (7) THE TERMS AND CONDITIONS OF ALL OUTSTANDING LOANS,
2 MORTGAGES, TRUST DEEDS, PLEDGES, OR OTHER INDEBTEDNESS OR SECURITY
3 DEVICES UTILIZED BY THE BUSINESS ENTITY;

4 (8) THE EXTENT OF THE EQUITY SECURITY HOLDING IN THE BUSINESS
5 ENTITY OF THE OFFICERS, DIRECTORS, PARTNERS, AND UNDERWRITERS AND THEIR
6 REMUNERATION IN THE FORM OF SALARY, WAGES, FEES, OR OTHERWISE;

7 (9) THE NAMES OF PERSONS OTHER THAN THE DIRECTORS AND
8 OFFICERS WHO OCCUPY POSITIONS SPECIFIED BY THE COMMISSION OR WHOSE
9 COMPENSATION EXCEEDS AN AMOUNT DETERMINED BY THE COMMISSION;

10 (10) THE NAMES OF PERSONS WHO OWN OR CONTROL THE BUSINESS
11 ENTITY;

12 (11) A DESCRIPTION OF ALL BONUS AND PROFIT SHARING
13 ARRANGEMENTS;

14 (12) COPIES OF MANAGEMENT AND SERVICE CONTRACTS; AND

15 (13) A LISTING OF STOCK OPTIONS.

16 (B) IF A BUSINESS ENTITY THAT APPLIES FOR A VIDEO LOTTERY OPERATION
17 LICENSE IS A SUBSIDIARY OR IF A BUSINESS ENTITY HOLDING A VIDEO LOTTERY
18 OPERATION LICENSE IS TO BECOME A SUBSIDIARY, EACH HOLDING COMPANY AND
19 EACH INTERMEDIARY COMPANY WITH RESPECT TO THE BUSINESS ENTITY SHALL, AS
20 A CONDITION OF THE SUBSIDIARY ACQUIRING OR RETAINING A VIDEO LOTTERY
21 OPERATION LICENSE:

22 (1) QUALIFY TO DO BUSINESS IN THE STATE; OR

23 (2) FURNISH THE COMMISSION WITH THE INFORMATION REQUIRED
24 UNDER SUBSECTION (A) OF THIS SECTION AND OTHER INFORMATION THAT THE
25 COMMISSION MAY REQUIRE.

26 (C) AN INDIVIDUAL APPLYING FOR A VIDEO LOTTERY OPERATION LICENSE
27 SHALL PROVIDE, TO THE EXTENT APPLICABLE TO AN INDIVIDUAL, THE
28 INFORMATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION IN THE FORM
29 REQUIRED BY THE COMMISSION.

30 (D) THE COMMISSION SHALL DENY A VIDEO LOTTERY OPERATION LICENSE
31 TO AN APPLICANT WHO IS DISQUALIFIED ON THE BASIS OF ANY OF THE FOLLOWING
32 CRITERIA:

33 (1) FAILURE OF THE APPLICANT TO PROVE BY CLEAR AND CONVINCING
34 EVIDENCE THAT THE APPLICANT AND EACH PERSON WHO OWNS OR CONTROLS THE
35 APPLICANT ARE QUALIFIED UNDER THE PROVISIONS OF THIS SUBTITLE;

36 (2) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
37 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO PROVIDE

1 INFORMATION, DOCUMENTATION, AND ASSURANCES REQUIRED BY THIS SUBTITLE
2 OR REQUESTED BY THE COMMISSION;

3 (3) FAILURE OF THE APPLICANT OR ANY PERSON REQUIRED TO BE
4 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE TO REVEAL ANY
5 FACT MATERIAL TO QUALIFICATION;

6 (4) SUPPLYING, BY THE APPLICANT OR ANY PERSON REQUIRED TO BE
7 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE, INFORMATION
8 THAT IS UNTRUE OR MISLEADING AS TO A MATERIAL FACT CONCERNING THE
9 QUALIFICATION CRITERIA;

10 (5) CONVICTION OF THE APPLICANT OR OF ANY PERSON REQUIRED TO
11 BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF AN
12 OFFENSE UNDER THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN
13 THE UNITED STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE
14 OR A GAMBLING OFFENSE;

15 (6) CURRENT PROSECUTION OF THE APPLICANT OR A PERSON WHO IS
16 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
17 FOR AN OFFENSE DESCRIBED UNDER ITEM (5) OF THIS PARAGRAPH; HOWEVER, AT
18 THE REQUEST OF THE APPLICANT, THE COMMISSION MAY DEFER DECISION ON THE
19 APPLICATION DURING THE PENDENCY OF THE CHARGE;

20 (7) PURSUIT BY THE APPLICANT OR A PERSON WHO IS REQUIRED TO BE
21 QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE OF ECONOMIC
22 GAIN IN AN OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE
23 LAWS OF THE STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT
24 PARTICIPATION OF THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE
25 INIMICAL TO THE POLICIES OF THIS SUBTITLE;

26 (8) IDENTIFICATION OF THE APPLICANT OR A PERSON WHO IS
27 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
28 AS A CAREER OFFENDER OR A MEMBER OF A CAREER OFFENDER CARTEL OR AN
29 ASSOCIATE OF A CAREER OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER
30 THAT CREATES A REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS
31 TO BE INIMICAL TO THE POLICIES OF THIS SUBTITLE;

32 (9) THE COMMITTING OF AN ACT BY THE APPLICANT OR A PERSON WHO
33 IS REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A
34 LICENSE THAT WOULD CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (5) OF
35 THIS SUBSECTION, EVEN IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED
36 UNDER THE CRIMINAL LAWS OF THE STATE;

37 (10) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON WHO IS
38 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
39 OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL INVESTIGATORY
40 BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE UNITED STATES
41 WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF CRIMES RELATING TO
42 GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME ACTIVITY; AND

1 (11) ANY OTHER REASON ESTABLISHED IN REGULATIONS OF THE
2 COMMISSION AS A REASON FOR DENYING A LICENSE.

3 ~~(E) (1) THIS SUBSECTION DOES NOT APPLY TO AN APPLICANT FOR A VIDEO
4 LOTTERY OPERATION LICENSE FOR A NONRACETRACK DESTINATION LOCATION.~~

5 ~~(2) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE, OTHER
6 THAN A HORSE RACECOURSE IN ALLEGANY COUNTY, SHALL MEET THE FOLLOWING
7 REQUIREMENTS BY CLEAR AND CONVINCING EVIDENCE:~~

8 ~~(I) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR
9 THE APPLICANT'S VIDEO LOTTERY FACILITY SHALL COST AT LEAST \$150,000,000 IN
10 DIRECT INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS;
11 AND~~

12 ~~(II) 1. THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT
13 LEAST 500 ADDITIONAL FULL TIME POSITIONS AT THE LOCATION OF THE VIDEO
14 LOTTERY FACILITY; AND~~

15 ~~2. THE POSITIONS CREATED UNDER THIS ITEM SHALL
16 COMPLY WITH ANY LOCAL LAWS, ORDINANCES, OR REGULATIONS REGARDING
17 PAYMENT OF A LIVING WAGE OR OTHER REQUIREMENTS RELATING TO
18 EMPLOYMENT IN THE COUNTY WHERE THE VIDEO LOTTERY FACILITY WILL BE
19 LOCATED.~~

20 ~~(F) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE THAT IS A
21 HORSE RACECOURSE IN ALLEGANY COUNTY SHALL MEET THE FOLLOWING
22 REQUIREMENTS BY CLEAR AND CONVINCING EVIDENCE:~~

23 ~~(1) THE CONSTRUCTION PROJECT AT THE TRACK LOCATION FOR THE
24 APPLICANT'S VIDEO LOTTERY FACILITY SHALL COST AT LEAST \$43,000,000 IN DIRECT
25 INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS; AND~~

26 ~~(2) (I) THE APPLICANT SHALL PROVIDE THE EQUIVALENT OF AT
27 LEAST 150 ADDITIONAL FULL TIME POSITIONS AT THE LOCATION OF THE VIDEO
28 LOTTERY FACILITY; AND~~

29 ~~(II) THE POSITIONS CREATED UNDER THIS ITEM SHALL COMPLY
30 WITH ANY LOCAL LAWS, ORDINANCES, OR REGULATIONS REGARDING PAYMENT OF A
31 LIVING WAGE OR OTHER REQUIREMENTS RELATING TO EMPLOYMENT IN ALLEGANY
32 COUNTY.~~

33 9-1A-09.

34 (A) THIS SECTION DOES NOT APPLY TO A VIDEO LOTTERY OPERATION
35 LICENSE FOR A FACILITY THAT IS A NONRACETRACK DESTINATION LOCATION.

36 (B) A RACETRACK LOCATION SHALL MAINTAIN, AS A CONDITION OF
37 LICENSURE, A VIDEO LOTTERY OPERATION LICENSEE SHALL MAINTAIN AT LEAST
38 THE FOLLOWING LIVE RACING DAYS FOR HORSE RACING: AT LEAST THE SAME

1 NUMBER OF LIVE RACING DAYS AS WERE AUTHORIZED BY THE STATE RACING
2 COMMISSION FOR THAT LOCATION IN 2004 UNLESS THE LICENSEE IS PREVENTED BY
3 WEATHER, ACTS OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE
4 LICENSEE.

5 (1) ~~220 DAYS FOR THE COMBINED LICENSEES AT LAUREL PARK AND~~
6 ~~PIMLICO RACE COURSE;~~

7 (2) ~~180 DAYS FOR A LICENSEE AT ROSECROFT RACEWAY; AND~~

8 (3) ~~21 DAYS FOR A LICENSEE AT A HORSE RACECOURSE IN ALLEGANY~~
9 ~~COUNTY.~~

10 (C) (1) IF VIDEO LOTTERY OPERATION LICENSES HAVE BEEN ISSUED FOR
11 ~~THE A RACETRACK LOCATION AT THE PIMLICO RACE COURSE AND OR LAUREL PARK,~~
12 ~~THE VIDEO LOTTERY OPERATION LICENSES FOR EACH LOCATION SHALL BE~~
13 ~~REVOKED IF THE NAME, COMMON LAW AND STATUTORY COPYRIGHTS, SERVICE~~
14 ~~MARKS, TRADEMARKS, TRADE NAMES, OR HORSE RACING EVENTS THAT ARE~~
15 ~~ASSOCIATED WITH THE PREAKNESS STAKES OR THE WOODLAWN VASE ARE~~
16 ~~TRANSFERRED TO A LOCATION OUTSIDE OF THE STATE.~~

17 (2) AS AN ADDITIONAL CONDITION OF A VIDEO LOTTERY OPERATION
18 ~~LICENSE, THE LICENSEES~~ A LICENSEE DESCRIBED IN PARAGRAPH (1) OF THIS
19 SUBSECTION SHALL BE REQUIRED TO:

20 (I) PROMOTE AND CONDUCT THE PREAKNESS STAKES AT THE
21 PIMLICO RACE COURSE EACH YEAR; OR

22 (II) IF THE PIMLICO RACE COURSE NO LONGER EXISTS, THE
23 PREAKNESS STAKES RACE IS PREVENTED FROM BEING CONDUCTED AT THE PIMLICO
24 RACE COURSE, OR THE STATE RACING COMMISSION, UNDER § 11-513 OF THE
25 BUSINESS REGULATION ARTICLE, DEEMS AN EMERGENCY EXISTS, PROMOTE AND
26 CONDUCT THE PREAKNESS STAKES RACE EACH YEAR AT ANOTHER TRACK LOCATED
27 IN THE STATE THAT IS APPROVED BY THE STATE RACING COMMISSION.

28 (D) IF A LICENSEE HAS BEEN ISSUED A VIDEO LOTTERY LICENSE FOR A
29 RACETRACK LOCATION AT LAUREL PARK, THE LICENSEE SHALL PERMIT THE EVENT
30 KNOWN AS THE MARYLAND MILLION SHALL TO BE RUN ANNUALLY AT LAUREL PARK
31 UNLESS:

32 (1) THE LICENSEE IS PREVENTED FROM DOING SO BY WEATHER, ACTS
33 OF GOD, OR OTHER CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE; OR

34 (2) THE LICENSEE AND THE MARYLAND MILLION LLC AGREE TO
35 ANOTHER LOCATION THAT IS APPROVED BY THE STATE RACING COMMISSION.

36 (E) (1) AS A CONDITION OF CONTINUED LICENSURE, EACH LICENSEE
37 SHALL DEVELOP AND SUBMIT TO THE COMMISSION A MULTIYEAR PLAN TO IMPROVE
38 THE QUALITY AND MARKETING OF HORSE RACING AT THE LOCATION WHERE THE
39 LICENSE IS GRANTED.

1 (2) EACH PLAN SHALL INCLUDE:

2 (I) GOALS, INDICATORS, AND TIMELINES FOR SPECIFIC ACTIONS
3 THAT WILL BE TAKEN BY THE LICENSEE TO IMPROVE THE QUALITY AND MARKETING
4 OF THE HORSE RACING INDUSTRY IN MARYLAND; AND

5 (II) A MASTER PLAN FOR CAPITAL IMPROVEMENTS THAT
6 REFLECTS, AT A MINIMUM:

7 1. COMMITMENTS THAT HAVE BEEN MADE TO THE STATE
8 RACING COMMISSION;

9 2. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE
10 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES THAT ARE NOT IN
11 ALLEGANY COUNTY OF AT LEAST ~~\$4,000,000~~ \$1,500,000 ANNUALLY; AND

12 3. AN ONGOING INVESTMENT IN CAPITAL MAINTENANCE
13 AND IMPROVEMENTS IN THE HORSE RACING FACILITIES IN ALLEGANY COUNTY OF
14 AT LEAST ~~\$1,150,000~~ \$750,000 ANNUALLY.

15 (3) (I) HOLDERS OF A LICENSE ISSUED BY THE RACING COMMISSION
16 THAT RECEIVE A SHARE OF THE PROCEEDS UNDER THIS SUBTITLE SHALL JOINTLY
17 DEVELOP A MULTIYEAR PLAN TO IMPROVE THE QUALITY AND MARKETING OF THE
18 HORSE RACING INDUSTRY IN MARYLAND.

19 (II) THE JOINT PLAN SHALL INCLUDE GOALS, INDICATORS, AND
20 TIMELINES FOR SPECIFIC ACTIONS THAT WILL BE TAKEN BY THE THOROUGHBRED
21 AND HARNESS RACING INDUSTRY TO IMPROVE THE QUALITY AND MARKETING OF
22 THE HORSE RACING INDUSTRY IN MARYLAND, INCLUDING JOINT MARKETING
23 EFFORTS.

24 (F) AS A PART OF THE CAPITAL MAINTENANCE AND IMPROVEMENT ITEMS IN
25 THE PLAN SUBMITTED UNDER SUBSECTION (E) OF THIS SECTION BY A LICENSEE,
26 THE LICENSEE SHALL INCLUDE ANY IMPROVEMENTS NECESSARY TO ENSURE THAT
27 THE CONDITION OF ANY PART OF THE RACETRACK FACILITY WHERE INDIVIDUALS
28 RESIDE IS SATISFACTORY FOR HUMAN HABITATION AND MEETS MINIMUM HOUSING
29 AND SANITATION STANDARDS IN THE COUNTY WHERE THE FACILITY IS LOCATED.

30 (G) IF A VIDEO LOTTERY OPERATION LICENSE HAS BEEN ISSUED FOR A
31 RACETRACK LOCATION AT THE PIMLICO RACE COURSE, IN THE PLAN SUBMITTED BY
32 A LICENSEE AT THE PIMLICO RACE COURSE UNDER SUBSECTION (E) OF THIS
33 SECTION, ONE OF THE CAPITAL MAINTENANCE AND IMPROVEMENT ITEMS IN THE
34 PLAN SHALL BE THE CREATION OF A PREMIER CLASSIC RACETRACK AND MUSEUM
35 AS A PART OF THE PIMLICO RACE COURSE.

36 (F) (H) THE PLANS REQUIRED UNDER SUBSECTION (E) OF THIS SECTION
37 SHALL ALSO BE PROVIDED TO THE STATE RACING COMMISSION AND TO THE
38 LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY.

1 9-1A-10.

2 (A) IN THIS SECTION, "QUALIFIED INVESTOR" MEANS AN INDIVIDUAL WHO
3 MEETS:

4 (1) THE QUALIFICATIONS AND CRITERIA ESTABLISHED BY §§ 9-1A-07
5 AND 9-1A-08 OF THIS SUBTITLE FOR A VIDEO LOTTERY OPERATION LICENSE;

6 (2) THE CRITERIA RELATED TO QUALIFIED INVESTORS UNDER THE
7 SECURITIES ACT OF 1933; AND

8 (3) WITH THE EXCEPTION OF § 14-301(f)(3) OF THE STATE FINANCE AND
9 PROCUREMENT ARTICLE, THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE
10 STATE FINANCE AND PROCUREMENT ARTICLE FOR CERTIFICATION AS A MINORITY
11 BUSINESS ENTERPRISE.

12 (B) SUBSECTIONS (C) THROUGH (F) OF THIS SECTION DO NOT APPLY TO A
13 VIDEO LOTTERY OPERATION LICENSE FOR A FACILITY THAT IS A NONRACETRACK
14 DESTINATION LOCATION.

15 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, ON
16 OR BEFORE AUGUST 31, 2004, AN APPLICANT FOR A VIDEO LOTTERY OPERATION
17 LICENSE, OTHER THAN A HORSE RACECOURSE IN ALLEGANY COUNTY, SHALL OFFER
18 FOR SALE TO QUALIFIED INVESTORS AT LEAST 15% OF THE EQUITY OWNERSHIP,
19 EITHER DIRECT OR INDIRECT, OF THE ENTITY OR ENTITIES THAT HOLD OR WILL
20 HOLD THE APPLICANT'S:

21 (I) MILE THOROUGHBRED OR HARNESS RACING LICENSE; AND

22 (II) VIDEO LOTTERY OPERATION LICENSE.

23 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, ON
24 OR BEFORE AUGUST 31, 2005, AN APPLICANT FOR A VIDEO LOTTERY OPERATION
25 LICENSE THAT IS A HORSE RACECOURSE IN ALLEGANY COUNTY SHALL OFFER FOR
26 SALE TO QUALIFIED INVESTORS AT LEAST 15% OF THE EQUITY OWNERSHIP, EITHER
27 DIRECT OR INDIRECT, OF THE ENTITY OR ENTITIES THAT HOLD OR WILL HOLD THE
28 APPLICANT'S:

29 (I) MILE THOROUGHBRED OR HARNESS RACING LICENSE; AND

30 (II) VIDEO LOTTERY OPERATION LICENSE.

31 (3) IF AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE IS AN
32 ENTITY THAT HOLDS MORE THAN ONE MILE THOROUGHBRED OR HARNESS RACING
33 LICENSE AND IS ELIGIBLE FOR MORE THAN ONE VIDEO LOTTERY OPERATION
34 LICENSE, THE APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE SHALL OFFER
35 TO QUALIFIED INVESTORS AT LEAST 10% OF THE EQUITY OWNERSHIP OF THE
36 ENTITY.

1 ~~(D)~~ IN ITS APPLICATION FOR A VIDEO LOTTERY OPERATION LICENSE, AN
 2 APPLICANT SHALL DESCRIBE THE PROCESS THE APPLICANT HAS DEVELOPED TO:

3 ~~(1)~~ MAKE THE AVAILABILITY OF THIS INVESTMENT OPPORTUNITY
 4 WIDELY KNOWN TO QUALIFIED INVESTORS;

5 ~~(2)~~ SCREEN AND SELECT THE POTENTIAL INVESTORS; AND

6 ~~(3)~~ ENSURE, CONSISTENT WITH THE EXERCISE OF SOUND BUSINESS
 7 JUDGMENT, THAT QUALIFIED INVESTORS WHO RESIDE IN MARYLAND ARE
 8 PROVIDED WITH A PREFERENCE FOR SELECTION WITH A GOAL OF AT LEAST 50% OF
 9 QUALIFIED INVESTORS.

10 ~~(E)~~ ~~(1)~~ SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND TO
 11 REGULATORY APPROVAL, PRIOR TO THE DATE A VIDEO LOTTERY OPERATION
 12 LICENSE IS ISSUED UNDER THIS SUBTITLE, AN APPLICANT SHALL HAVE SOLD OR
 13 HAVE EXECUTED CONTRACTS FOR THE SALE OF THE PERCENTAGE OF THE
 14 APPLICANT'S EQUITY OWNERSHIP INTEREST AS REQUIRED IN SUBSECTION (B) OF
 15 THIS SECTION.

16 ~~(2)~~ ~~(1)~~ NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, AN
 17 APPLICANT MAY NOT BE REQUIRED TO SELL AN EQUITY OWNERSHIP INTEREST IN
 18 THE ENTITIES DESCRIBED IN SUBSECTION (B) OF THIS SECTION FOR A PRICE THAT IS
 19 LESS THAN:

20 1. FAIR MARKET VALUE; OR

21 2. AS ADJUSTED ON A PRO RATA BASIS, THE VALUE PAID BY
 22 THE PRIMARY EQUITY HOLDER FOR ITS OWNERSHIP INTEREST AS EVIDENCED BY
 23 THE AMOUNT OF THE EQUITY INVESTMENT MADE OR TO BE MADE BY THE PRIMARY
 24 EQUITY HOLDER.

25 ~~(H)~~ AT THE REQUEST OF A QUALIFIED INVESTOR, THE
 26 COMMISSION SHALL REVIEW AND APPROVE THE PRICE DETERMINED BY THE
 27 APPLICANT IN SUBPARAGRAPH (1)2 OF THIS PARAGRAPH.

28 ~~(F)~~ ~~(1)~~ THE COMMISSION SHALL SUBMIT TO THE LEGISLATIVE POLICY
 29 COMMITTEE OF THE GENERAL ASSEMBLY THE NAMES OF AND BACKGROUND
 30 INFORMATION ON THE EQUITY OWNERS AND PROSPECTIVE EQUITY OWNERS OF AN
 31 APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE.

32 ~~(2)~~ THE INFORMATION REQUIRED UNDER THIS SUBSECTION SHALL BE
 33 PROVIDED TO THE LEGISLATIVE POLICY COMMITTEE OF THE GENERAL ASSEMBLY
 34 AT LEAST 30 DAYS PRIOR TO THE AWARD OF A VIDEO LOTTERY OPERATION LICENSE.

35 ~~(G)~~ ~~(A)~~ (1) FOR THE CONSTRUCTION OF FACILITIES AND PROCUREMENT
 36 RELATED TO THE OPERATION OF VIDEO LOTTERY TERMINALS, THE APPLICANT OR
 37 LICENSEE SHALL AT A MINIMUM MEET THE SAME REQUIREMENTS OF A
 38 DESIGNATED UNIT FOR MINORITY BUSINESS PARTICIPATION AS DESCRIBED UNDER
 39 TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

1 (2) IF THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY WILL BE
2 LOCATED HAS HIGHER MINORITY BUSINESS PARTICIPATION REQUIREMENTS THAN
3 THE STATE AS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE APPLICANT
4 SHALL MEET THE COUNTY'S MINORITY BUSINESS PARTICIPATION REQUIREMENTS
5 TO THE EXTENT POSSIBLE.

6 (3) A COLLECTIVE BARGAINING AGREEMENT OR AGREEMENTS,
7 INCLUDING A PROJECT LABOR AGREEMENT OR A NEUTRALITY AGREEMENT,
8 ENTERED INTO BY AN APPLICANT OR LICENSEE MAY NOT NEGATE THE
9 REQUIREMENTS OF THIS SUBSECTION.

10 (4) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR
11 AGREEMENTS, AN APPLICANT OR LICENSEE SHALL GIVE A PREFERENCE TO HIRING
12 QUALIFIED EMPLOYEES FROM THE COMMUNITIES ~~IN CLOSE PROXIMITY TO~~ WITHIN
13 10 MILES OF THE VIDEO LOTTERY FACILITY.

14 (5) IF AN APPLICANT FOR EMPLOYMENT AT A VIDEO LOTTERY FACILITY
15 BELIEVES THAT THEY HAVE BEEN DISCRIMINATED AGAINST IN THE EMPLOYMENT
16 PROCESS, THE APPLICANT MAY APPEAL THE EMPLOYMENT DECISION TO THE LOCAL
17 HUMAN RELATIONS BOARD IN THE COUNTY WHERE THE VIDEO LOTTERY FACILITY
18 IS LOCATED.

19 (6) NOTWITHSTANDING ANY COLLECTIVE BARGAINING AGREEMENT OR
20 AGREEMENTS, A LICENSEE SHALL PROVIDE HEALTH INSURANCE COVERAGE FOR ITS
21 EMPLOYEES.

22 ~~(H)~~ (B) (1) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY
23 OPERATION LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A
24 CONDITION OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

25 (2) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL MONITOR A
26 LICENSEE'S COMPLIANCE WITH THIS SECTION.

27 (3) THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS SHALL REPORT TO
28 THE COMMISSION AT LEAST EVERY 6 MONTHS ON THE COMPLIANCE OF LICENSEES
29 WITH THIS SECTION.

30 (4) IF THE GOVERNOR'S OFFICE OF MINORITY AFFAIRS REPORTS THAT A
31 LICENSEE IS NOT IN COMPLIANCE WITH THIS SECTION, THE COMMISSION SHALL
32 TAKE IMMEDIATE ACTION TO ENSURE THE COMPLIANCE OF THE LICENSEE.

33 ~~(H)~~ (C) THE PROVISIONS OF THIS SECTION AND ANY REGULATIONS
34 ADOPTED UNDER THIS SECTION SHALL BE OF NO EFFECT AND MAY NOT BE
35 ENFORCED ON OR AFTER JULY 1, 2007.

36 9-1A-11.

37 ~~(A) THIS SECTION DOES NOT APPLY TO A VIDEO LOTTERY OPERATION~~
38 ~~LICENSE FOR A FACILITY THAT IS A NONRACETRACK DESTINATION LOCATION.~~

1 ~~(B) (1) ON OR BEFORE OCTOBER 1, 2004, AN APPLICANT FOR A VIDEO~~
2 ~~LOTTERY OPERATION LICENSE, OTHER THAN A HORSE RACECOURSE IN ALLEGANY~~
3 ~~COUNTY, SHALL SUBMIT TO THE COMMISSION AN APPLICATION AS PROVIDED IN~~
4 ~~THIS SUBTITLE AND A \$5,000,000 APPLICATION FEE.~~

5 (2) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE
6 COMMISSION MAY NOT ACCEPT ANY APPLICATIONS FOR VIDEO LOTTERY OPERATION
7 LICENSES OR APPLICATION FEES AFTER OCTOBER 1, 2004.

8 ~~(C) (1) ON OR BEFORE OCTOBER 1, 2005, AN APPLICANT FOR A VIDEO~~
9 ~~LOTTERY OPERATION LICENSE THAT IS A HORSE RACECOURSE IN ALLEGANY~~
10 ~~COUNTY SHALL SUBMIT TO THE COMMISSION AN APPLICATION AS PROVIDED IN THIS~~
11 ~~SUBTITLE AND A \$1,500,000 APPLICATION FEE.~~

12 (2) THE COMMISSION MAY NOT ACCEPT AN APPLICATION FOR A VIDEO
13 LOTTERY OPERATIONS LICENSE OR AN APPLICATION FEE FROM A HORSE
14 RACECOURSE IN ALLEGANY COUNTY AFTER OCTOBER 1, 2005.

15 ~~(D) (A)~~ (A) ANY VIDEO LOTTERY OPERATION LICENSES NOT ISSUED FOR A
16 LOCATION AUTHORIZED UNDER THIS SUBTITLE SHALL AUTOMATICALLY REVERT TO
17 THE STATE.

18 (B) (1) ALL INITIAL LICENSE FEES SUBMITTED UNDER THIS SUBTITLE
19 SHALL ACCRUE TO THE EDUCATION TRUST FUND UNDER § 9-1A-29 OF THIS
20 SUBTITLE AND SHALL BE USED TO FUND THE FISCAL YEAR 2005 GEOGRAPHIC COST
21 OF EDUCATION INDEX UNDER THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS,
22 FIRST ENACTED BY CHAPTER 288 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002.

23 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE FUNDS
24 ALLOCATED TO BALTIMORE CITY UNDER THE GEOGRAPHIC COST OF EDUCATION
25 INDEX IN FISCAL YEAR 2005 MAY BE USED TO OFFSET ANY DEFICIT THAT EXISTS IN
26 THE BALTIMORE CITY PUBLIC SCHOOLS.

27 (C) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
28 LICENSEE SHALL COMMENCE OPERATION OF VIDEO LOTTERY TERMINALS AT THE
29 LOCATION FOR WHICH THE VIDEO LOTTERY FACILITY LICENSE HAS BEEN ISSUED
30 WITHIN 18 MONTHS AFTER THE LICENSE IS ISSUED.

31 (2) (I) UPON A DETERMINATION BY THE COMMISSION THAT
32 EXTENUATING CIRCUMSTANCES EXIST WHICH ARE BEYOND THE CONTROL OF A
33 LICENSEE AND HAVE PREVENTED THE LICENSEE FROM COMPLYING WITH THE
34 REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION MAY
35 ALLOW THE LICENSEE AN EXTENSION OF 6 MONTHS TO COMPLY WITH THE
36 REQUIREMENTS.

37 (II) THE COMMISSION MAY NOT GRANT MORE THAN TWO
38 EXTENSIONS TO A LICENSEE UNDER THIS PARAGRAPH.

1 (3) IF A VIDEO LOTTERY OPERATION LICENSEE FAILS TO COMPLY WITH
2 THE REQUIREMENTS OF THIS SUBSECTION, THE LICENSE ISSUED TO THE LICENSEE
3 SHALL BE REVOKED AND SHALL AUTOMATICALLY REVERT TO THE STATE.

4 9-1A-12.

5 IF A VIDEO LOTTERY OPERATION LICENSEE CONTRACTS WITH ANOTHER
6 PERSON OTHER THAN AN EMPLOYEE OF THE VIDEO LOTTERY OPERATION LICENSEE
7 TO PROVIDE ANY OF THE SERVICES RELATED TO OPERATING A VIDEO LOTTERY
8 FACILITY, EACH PERSON AND EACH OTHER PERSON WHO OWNS OR CONTROLS THE
9 PERSON OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER PRINCIPAL
10 EMPLOYEES OF THE PERSON SHALL QUALIFY UNDER THE STANDARDS AND
11 PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS SUBTITLE FOR VIDEO
12 LOTTERY OPERATION LICENSEES.

13 9-1A-13.

14 (A) THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE IS 15
15 YEARS.

16 (B) DURING THE INITIAL TERM OF A VIDEO LOTTERY OPERATION LICENSE,
17 THE LICENSEE SHALL PROVIDE THE COMMISSION WITH AN ANNUAL UPDATE OF THE
18 INFORMATION REQUIRED UNDER THIS SUBTITLE FOR THE ISSUANCE OF A LICENSE
19 BY THE DATE SET BY THE COMMISSION IN REGULATIONS AND ON THE FORM
20 REQUIRED BY THE COMMISSION.

21 (C) ONE YEAR BEFORE THE EXPIRATION OF THE TERM OF A VIDEO LOTTERY
22 OPERATION LICENSE, THE LICENSEE SHALL FILE WITH THE COMMISSION A NOTICE
23 OF INTENT TO REAPPLY FOR THE LICENSE UNDER THIS SUBTITLE.

24 ~~(C)~~ (D) AT THE END OF THE INITIAL 15-YEAR LICENSE TERM, A VIDEO
25 LOTTERY OPERATION LICENSEE MAY REAPPLY FOR A LICENSE THAT HAS A LICENSE
26 TERM OF 10 YEARS AND LICENSE FEE TO BE ESTABLISHED BY STATUTE.

27 ~~(D)~~ (E) IF A LICENSEE HAS ITS LICENSE REVOKED OR OTHERWISE
28 SURRENDERS THE LICENSE, THE VIDEO LOTTERY OPERATION LICENSE REVERTS TO
29 THE STATE.

30 9-1A-14.

31 (A) UNLESS AN INDIVIDUAL HOLDS A VALID VIDEO LOTTERY EMPLOYEE
32 LICENSE ISSUED BY THE COMMISSION, THE INDIVIDUAL MAY NOT BE EMPLOYED BY
33 A VIDEO LOTTERY OPERATION LICENSEE AS A VIDEO LOTTERY EMPLOYEE.

34 (B) BEFORE ISSUANCE OF A VIDEO LOTTERY EMPLOYEE LICENSE, AN
35 APPLICANT SHALL PROVIDE SUFFICIENT INFORMATION, DOCUMENTATION, AND
36 ASSURANCES THAT THE COMMISSION MAY REQUIRE.

37 (C) THE COMMISSION SHALL DENY A VIDEO LOTTERY EMPLOYEE LICENSE TO
38 AN APPLICANT WHO IS DISQUALIFIED DUE TO:

1 (1) THE APPLICANT'S FAILURE TO PROVE THE APPLICANT'S GOOD
2 CHARACTER, HONESTY, AND INTEGRITY;

3 (2) THE APPLICANT'S LACK OF EXPERTISE OR TRAINING TO BE A VIDEO
4 LOTTERY EMPLOYEE;

5 (3) THE APPLICANT'S CONVICTION FOR ANY CRIME INVOLVING MORAL
6 TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED STATES OR ANY STATE;

7 (4) THE APPLICANT'S CURRENT PROSECUTION FOR ANY CRIME
8 INVOLVING MORAL TURPITUDE OR GAMBLING UNDER THE LAWS OF THE UNITED
9 STATES OR ANY STATE, BUT, AT THE REQUEST OF THE APPLICANT, THE COMMISSION
10 MAY DEFER A DECISION ON THE APPLICATION DURING THE PENDENCY OF THE
11 CHARGE;

12 (5) PURSUIT BY THE APPLICANT OF ECONOMIC GAIN IN AN
13 OCCUPATIONAL MANNER OR CONTEXT THAT IS IN VIOLATION OF THE LAWS OF THE
14 STATE, IF THE PURSUIT CREATES A REASONABLE BELIEF THAT PARTICIPATION OF
15 THE APPLICANT IN VIDEO LOTTERY OPERATIONS WOULD BE INIMICAL TO THE
16 POLICIES OF THIS SUBTITLE;

17 (6) IDENTIFICATION OF THE APPLICANT AS A CAREER OFFENDER OR A
18 MEMBER OF A CAREER OFFENDER CARTEL OR AN ASSOCIATE OF A CAREER
19 OFFENDER OR CAREER OFFENDER CARTEL IN A MANNER THAT CREATES A
20 REASONABLE BELIEF THAT THE ASSOCIATION IS OF A NATURE AS TO BE INIMICAL
21 TO THE POLICIES OF THIS SUBTITLE;

22 (7) COMMISSION OF AN ACT BY THE APPLICANT THAT WOULD
23 CONSTITUTE AN OFFENSE DESCRIBED UNDER ITEM (3) OF THIS SUBSECTION, EVEN
24 IF THE ACT HAS NOT BEEN OR MAY NOT BE PROSECUTED UNDER THE CRIMINAL
25 LAWS OF THE STATE;

26 (8) CONTUMACIOUS DEFIANCE BY THE APPLICANT OR A PERSON WHO IS
27 REQUIRED TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE
28 OF A LEGISLATIVE INVESTIGATORY BODY OR OTHER OFFICIAL INVESTIGATORY
29 BODY OF THE UNITED STATES OR A JURISDICTION WITHIN THE UNITED STATES
30 WHEN THE BODY IS ENGAGED IN THE INVESTIGATION OF CRIMES RELATING TO
31 GAMBLING, OFFICIAL CORRUPTION, OR ORGANIZED CRIME ACTIVITY; AND

32 (9) ANY OTHER REASON ESTABLISHED IN THE REGULATIONS OF THE
33 COMMISSION AS A REASON FOR DENYING A LICENSE.

34 9-1A-15.

35 (A) UNLESS A MANUFACTURER HOLDS A VALID MANUFACTURER LICENSE
36 ISSUED BY THE COMMISSION BEFORE CONDUCTING BUSINESS WITH A LICENSEE OR
37 THE STATE, THE MANUFACTURER MAY NOT OFFER ANY VIDEO LOTTERY TERMINAL,
38 ASSOCIATED EQUIPMENT, CENTRAL COMPUTER, OR GOODS OR SERVICES THAT
39 DIRECTLY RELATE TO THE OPERATION OF VIDEO LOTTERY TERMINALS UNDER THIS
40 SUBTITLE.

1 (B) EACH MANUFACTURER, AND EACH PERSON WHO OWNS OR CONTROLS
2 THE MANUFACTURER OR MANAGEMENT AND SUPERVISORY PERSONNEL AND OTHER
3 PRINCIPAL EMPLOYEES OF THE MANUFACTURER, SHALL QUALIFY UNDER THE
4 STANDARDS AND PROVISIONS SET FORTH IN §§ 9-1A-07 AND 9-1A-08 OF THIS
5 SUBTITLE FOR VIDEO LOTTERY OPERATION LICENSEES.

6 (C) EXCEPT AS PROVIDED IN § 9-1A-16(A) OF THIS SUBTITLE, THE
7 COMMISSION MAY NOT GRANT AN EXEMPTION OR WAIVER OF ANY LICENSING
8 REQUIREMENT TO AN APPLICANT FOR OR HOLDER OF A MANUFACTURER LICENSE.

9 (D) A MANUFACTURER OF THE VIDEO LOTTERY TERMINALS, ASSOCIATED
10 EQUIPMENT, AND CENTRAL COMPUTER SHALL MANUFACTURE OR DISTRIBUTE THE
11 VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL COMPUTER
12 THAT MEET SPECIFICATIONS AND PROCEDURES ESTABLISHED BY THE COMMISSION.

13 9-1A-16.

14 (A) FOR ALL LICENSES REQUIRED UNDER THIS SUBTITLE OTHER THAN A
15 VIDEO LOTTERY OPERATION LICENSE, IF AN APPLICANT OR LICENSEE HOLDS A
16 VALID LICENSE IN ANOTHER STATE AND THE COMMISSION DETERMINES THAT THE
17 LICENSING STANDARDS OF THE OTHER STATE ARE COMPREHENSIVE, THOROUGH,
18 AND PROVIDE SIMILAR ADEQUATE SAFEGUARDS TO THOSE PROVIDED IN THIS
19 SUBTITLE, THE COMMISSION MAY:

20 (1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;
21 AND

22 (2) ISSUE A LICENSE TO A PERSON HAVING A SIMILAR LICENSE IN
23 ANOTHER STATE.

24 (B) (1) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, ON THE
25 REQUEST OF AN APPLICANT, THE COMMISSION MAY GRANT AN EXEMPTION OR
26 WAIVER OF A LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE IF
27 THE COMMISSION DETERMINES THAT THE REQUIREMENT OR GROUNDS FOR DENIAL
28 OF A LICENSE AS APPLIED TO THE APPLICANT ARE NOT NECESSARY IN ORDER TO
29 PROTECT THE PUBLIC INTEREST OR ACCOMPLISH THE POLICIES ESTABLISHED BY
30 THIS SUBTITLE.

31 (2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR WAIVER OF A
32 LICENSING REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE, OR AT ANY TIME
33 AFTER A WAIVER OR EXEMPTION HAS BEEN GRANTED, THE COMMISSION MAY:

34 (I) LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR
35 WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;
36 AND

37 (II) REQUIRE THE PERSON WHO IS GRANTED THE EXEMPTION OR
38 WAIVER TO COOPERATE WITH THE COMMISSION AND TO PROVIDE THE COMMISSION
39 WITH ANY ADDITIONAL INFORMATION REQUIRED BY THE COMMISSION AS A
40 CONDITION OF THE WAIVER OR EXEMPTION.

1 (C) THE COMMISSION MAY NOT WAIVE ANY OF THE REQUIREMENTS OF THIS
2 SUBTITLE FOR ISSUANCE OF A VIDEO LOTTERY OPERATION LICENSE.

3 9-1A-17.

4 SUBJECT TO THE POWER OF THE COMMISSION TO DENY, REVOKE, OR SUSPEND
5 A LICENSE, A LICENSE IN FORCE MAY BE RENEWED BY THE COMMISSION FOR THE
6 NEXT SUCCEEDING LICENSE PERIOD ON:

7 (1) PROPER APPLICATION FOR RENEWAL; AND

8 (2) PAYMENT OF ALL REQUIRED APPLICATION, LICENSE, AND OTHER
9 FEES AND TAXES.

10 9-1A-18.

11 (A) BECAUSE THE PUBLIC HAS A VITAL INTEREST IN VIDEO LOTTERY
12 OPERATIONS AND HAS ESTABLISHED A LIMITED EXCEPTION TO THE POLICY OF THE
13 STATE CONCERNING GAMBLING FOR PRIVATE GAIN, PARTICIPATION IN VIDEO
14 LOTTERY OPERATIONS BY A LICENSEE UNDER THIS SUBTITLE SHALL BE DEEMED A
15 REVOCABLE PRIVILEGE CONDITIONED ON THE PROPER AND CONTINUED
16 QUALIFICATION OF THE LICENSEE AND ON THE DISCHARGE OF THE AFFIRMATIVE
17 RESPONSIBILITY OF EACH LICENSEE TO PROVIDE TO THE REGULATORY AND
18 INVESTIGATORY AUTHORITIES UNDER THIS SUBTITLE OR ANY OTHER PROVISION OF
19 LAW, ANY ASSISTANCE AND INFORMATION NECESSARY TO ASSURE THAT THE
20 POLICIES DECLARED BY THIS SUBTITLE ARE ACHIEVED.

21 (B) CONSISTENT WITH THE POLICY DESCRIBED IN SUBSECTION (A) OF THIS
22 SECTION, IT IS THE INTENT OF THIS SECTION TO:

23 (1) PRECLUDE:

24 (I) THE CREATION OF ANY PROPERTY RIGHT IN ANY LICENSE
25 REQUIRED UNDER THIS SUBTITLE;

26 (II) THE ACCRUAL OF ANY MONETARY VALUE TO THE PRIVILEGE
27 OF PARTICIPATION IN VIDEO LOTTERY OPERATIONS; AND

28 (III) THE TRANSFER OF ANY LICENSE ISSUED UNDER THIS
29 SUBTITLE; AND

30 (2) REQUIRE THAT PARTICIPATION IN VIDEO LOTTERY OPERATIONS BE
31 CONDITIONED SOLELY ON THE CONTINUING INDIVIDUAL QUALIFICATIONS OF THE
32 PERSON WHO SEEKS THE PRIVILEGE.

33 9-1A-19.

34 (A) A LICENSE ISSUED UNDER THIS SUBTITLE MAY NOT BE:

35 (1) TRANSFERRED OR ASSIGNED TO ANOTHER PERSON; OR

1 (2) PLEDGED AS COLLATERAL.

2 (B) (1) A LICENSEE MAY NOT SELL OR OTHERWISE TRANSFER MORE THAN
3 5% OF THE LEGAL OR BENEFICIAL INTERESTS OF THE PERSON UNLESS:

4 (I) THE PERSON NOTIFIES THE COMMISSION OF THE PROPOSED
5 SALE OR TRANSFER; AND

6 (II) THE COMMISSION DETERMINES THAT THE PROPOSED BUYER
7 OR TRANSFEREE MEETS THE REQUIREMENTS OF THIS SUBTITLE.

8 (2) UNLESS THE COMMISSION NEEDS A LONGER TIME TO DETERMINE
9 WHETHER THE PROPOSED BUYER OR TRANSFEREE MEETS THE REQUIREMENTS OF
10 THIS SUBTITLE, IF THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION ARE
11 NOT SATISFIED, A LICENSE ISSUED UNDER THIS SUBTITLE IS AUTOMATICALLY
12 REVOKED 90 DAYS AFTER THE SALE OR TRANSFER.

13 9-1A-20.

14 (A) THE DEPARTMENT OF STATE POLICE SHALL:

15 (1) CONDUCT A BACKGROUND INVESTIGATION OF EACH APPLICANT IN
16 A TIMELY MANNER; AND

17 (2) COOPERATE WITH THE COMMISSION IN OBTAINING AND PROVIDING
18 THE NECESSARY BACKGROUND INVESTIGATION INFORMATION.

19 (B) (1) AN APPLICANT SHALL PROVIDE THE DEPARTMENT OF STATE POLICE
20 WITH ALL INFORMATION THE DEPARTMENT REQUIRES IN ORDER TO CONDUCT A
21 BACKGROUND INVESTIGATION.

22 (2) FAILURE TO PROVIDE TIMELY OR ACCURATE INFORMATION IS
23 GROUNDS FOR THE COMMISSION TO DENY AN APPLICATION.

24 (C) (1) THE DEPARTMENT OF STATE POLICE SHALL APPLY TO THE CENTRAL
25 REPOSITORY FOR A STATE AND A NATIONAL CRIMINAL HISTORY RECORDS CHECK
26 FOR EACH APPLICANT.

27 (2) AS PART OF THE APPLICATION FOR A CRIMINAL HISTORY RECORDS
28 CHECK, THE DEPARTMENT OF STATE POLICE SHALL SUBMIT TO THE CENTRAL
29 REPOSITORY:

30 (I) TWO COMPLETE SETS OF THE APPLICANT'S LEGIBLE
31 FINGERPRINTS TAKEN ON FORMS APPROVED BY THE DIRECTOR OF THE CENTRAL
32 REPOSITORY AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION;

33 (II) THE FEE AUTHORIZED UNDER § 10-221(B)(7) OF THE CRIMINAL
34 PROCEDURE ARTICLE FOR ACCESS TO MARYLAND CRIMINAL HISTORY RECORDS; AND

1 (III) THE MANDATORY PROCESSING FEE REQUIRED BY THE
2 FEDERAL BUREAU OF INVESTIGATION FOR A NATIONAL CRIMINAL HISTORY
3 RECORDS CHECK.

4 (3) IN ACCORDANCE WITH §§ 10-201 THROUGH 10-234 OF THE CRIMINAL
5 PROCEDURE ARTICLE, THE CENTRAL REPOSITORY SHALL FORWARD TO THE
6 APPLICANT AND THE DEPARTMENT OF STATE POLICE A PRINTED STATEMENT OF
7 THE APPLICANT'S CRIMINAL HISTORY RECORD INFORMATION.

8 (4) THE SUBJECT OF A CRIMINAL HISTORY RECORDS CHECK UNDER
9 THIS SECTION MAY CONTEST THE CONTENTS OF THE PRINTED STATEMENT ISSUED
10 BY THE CENTRAL REPOSITORY AS PROVIDED IN § 10-223 OF THE CRIMINAL
11 PROCEDURE ARTICLE.

12 (D) AFTER COMPLETION OF THE BACKGROUND INVESTIGATION OF AN
13 APPLICANT, THE DEPARTMENT OF STATE POLICE SHALL PROMPTLY FORWARD THE
14 RESULTS OF THE INVESTIGATION TO THE COMMISSION.

15 9-1A-21.

16 (A) EACH VIDEO LOTTERY TERMINAL DEVICE, THE ASSOCIATED EQUIPMENT,
17 AND THE CENTRAL COMPUTER SHALL BE:

18 (1) OWNED OR LEASED BY THE COMMISSION; AND

19 (2) UNDER THE CONTROL OF THE COMMISSION.

20 (B) ~~(+)~~ SUBJECT TO THE COMMISSION'S ABILITY TO CANCEL OR ALTER THE
21 CONTRACT IN THE EVENT ONE OR MORE ELIGIBLE APPLICANTS FOR A VIDEO
22 LOTTERY FACILITY FAIL TO OBTAIN A LICENSE, THE COMMISSION SHALL CONTRACT
23 WITH ONE OR MORE LICENSED MANUFACTURERS FOR THE LEASE OR PURCHASE OF
24 THE VIDEO LOTTERY TERMINALS, ASSOCIATED EQUIPMENT, AND CENTRAL
25 COMPUTER AUTHORIZED UNDER THIS SUBTITLE.

26 ~~(2) (+) PROVIDED THE VIDEO LOTTERY TERMINALS MEET~~
27 ~~COMMISSION SPECIFICATIONS, A VIDEO LOTTERY OPERATION LICENSEE MAY~~
28 ~~SELECT FROM A MANUFACTURER LICENSED UNDER THIS SUBTITLE THE TYPES OF~~
29 ~~VIDEO LOTTERY TERMINALS THAT THE LICENSEE DESIRES TO INSTALL ON THE~~
30 ~~FACILITY.~~

31 ~~(H) UNLESS THE REQUEST OF THE VIDEO LOTTERY OPERATION~~
32 ~~LICENSEE IS UNREASONABLE, THE COMMISSION SHALL PURCHASE OR LEASE THE~~
33 ~~VIDEO LOTTERY TERMINALS SELECTED BY THE LICENSEE.~~

34 (C) THE COMMISSION SHALL DEVELOP REGULATIONS GOVERNING THE SALE
35 OR LEASE OF VIDEO LOTTERY TERMINALS BY THE COMMISSION UNDER THIS
36 SUBTITLE IN A MANNER THAT PROVIDES A COMPETITIVE PROCESS AMONG
37 LICENSED MANUFACTURERS WITH INCENTIVES TO LICENSED MANUFACTURERS
38 BASED ON THE PERFORMANCE OF THE MANUFACTURER'S VIDEO LOTTERY
39 TERMINALS.

1 9-1A-22.

2 (A) ~~THIS SECTION DOES NOT APPLY TO A VIDEO LOTTERY OPERATION~~
3 ~~LICENSE FOR A FACILITY THAT IS A NONRACETRACK DESTINATION LOCATION.~~

4 (B) ~~EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE~~
5 ~~COMMISSION MAY AUTHORIZE 3,500 VIDEO LOTTERY TERMINALS FOR OPERATION~~
6 ~~UNDER A VIDEO LOTTERY OPERATION LICENSE.~~

7 (C) ~~IF A VIDEO LOTTERY OPERATION LICENSE IS AUTHORIZED AT A HORSE~~
8 ~~RACECOURSE IN ALLEGANY COUNTY, THE COMMISSION MAY NOT AUTHORIZE MORE~~
9 ~~THAN 1,000 VIDEO LOTTERY TERMINALS FOR OPERATION UNDER A VIDEO LOTTERY~~
10 ~~OPERATION LICENSE ISSUED FOR A LOCATION AT A HORSE RACECOURSE IN~~
11 ~~ALLEGANY COUNTY.~~

12 (A) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION ESTABLISHED
13 UNDER § 9-1A-34 OF THIS SUBTITLE MAY AWARD UP TO 15,500 VIDEO LOTTERY
14 TERMINALS FOR OPERATION AT VIDEO LOTTERY FACILITIES IN THE STATE.

15 (B) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD
16 UP TO 9,000 VIDEO LOTTERY TERMINALS FOR OPERATION AT RACETRACK LOCATIONS
17 IN THE STATE.

18 (2) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY
19 INITIALLY AWARD UP TO 3,000 VIDEO LOTTERY TERMINALS AT A RACETRACK
20 LOCATION.

21 (3) IF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION DOES NOT
22 AWARD THE TOTAL NUMBER OF VIDEO LOTTERY TERMINALS AUTHORIZED UNDER
23 PARAGRAPH (1) OF THIS SUBSECTION, WITHIN 2 YEARS AFTER OPERATION OF VIDEO
24 LOTTERY TERMINALS AT RACETRACK LOCATIONS BEGINS, THE STATE LOTTERY
25 COMMISSION MAY ALLOCATE THE REMAINING VIDEO LOTTERY TERMINALS AT THE
26 LICENSED RACETRACK LOCATIONS USING A COMPETITIVE BID PROCESS.

27 (4) AS PART OF THE COMPETITIVE BID PROCESS, THE COMMISSION
28 SHALL DETERMINE THE HIGHEST POTENTIAL REVENUE TO BE ACHIEVED AT EACH
29 LOCATION BY CONSIDERING:

30 (I) THE POTENTIAL VIDEO LOTTERY REVENUES FROM
31 ADDITIONAL VIDEO LOTTERY TERMINALS AT EACH LOCATION BASED ON THE
32 MARKET PERFORMANCE OF THE EXISTING VIDEO LOTTERY TERMINALS; AND

33 (II) THE PROXIMITY OF EACH LOCATION TO NONRACETRACK
34 DESTINATION LOCATIONS.

35 (C) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD
36 UP TO 6,500 VIDEO LOTTERY TERMINALS FOR OPERATION AT NONRACETRACK
37 DESTINATION LOCATIONS IN THE STATE.

1 (2) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY
2 INITIALLY AWARD UP TO 2,500 VIDEO LOTTERY TERMINALS AT A NONRACETRACK
3 DESTINATION LOCATION.

4 (3) IF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION DOES NOT
5 AWARD THE TOTAL NUMBER OF VIDEO LOTTERY TERMINALS AUTHORIZED UNDER
6 PARAGRAPH (1) OF THIS SUBSECTION, WITHIN 2 YEARS AFTER THE OPERATION OF
7 VIDEO LOTTERY TERMINALS AT NONRACETRACK DESTINATION LOCATIONS BEGINS,
8 THE STATE LOTTERY COMMISSION MAY ALLOCATE THE REMAINING VIDEO LOTTERY
9 TERMINALS AT THE LICENSED NONRACETRACK DESTINATION LOCATIONS USING A
10 COMPETITIVE BID PROCESS.

11 (4) AS PART OF THE COMPETITIVE BID PROCESS, THE COMMISSION
12 SHALL DETERMINE THE HIGHEST POTENTIAL REVENUE TO BE ACHIEVED AT EACH
13 LOCATION BY CONSIDERING:

14 (I) THE POTENTIAL VIDEO LOTTERY REVENUES FROM
15 ADDITIONAL VIDEO LOTTERY TERMINALS AT EACH LOCATION BASED ON THE
16 MARKET PERFORMANCE OF THE EXISTING VIDEO LOTTERY TERMINALS; AND

17 (II) THE PROXIMITY OF EACH LOCATION TO RACETRACK
18 LOCATIONS.

19 9-1A-23.

20 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS
21 SUBSECTION, A VIDEO LOTTERY TERMINAL SHALL HAVE AN AVERAGE ANNUAL
22 PAYOUT PERCENTAGE OF 87%.

23 (2) THE COMMISSION MAY BY REGULATION ESTABLISH AN AVERAGE
24 ANNUAL PAYOUT PERCENTAGE OF MORE THAN 87% 90% BUT NOT MORE THAN 95%
25 FOR VIDEO LOTTERY TERMINALS.

26 (3) THE COMMISSION MAY APPROVE AN AVERAGE ANNUAL PAYOUT
27 PERCENTAGE OF MORE THAN 95% FOR THE VIDEO LOTTERY TERMINALS AT A VIDEO
28 LOTTERY FACILITY.

29 (B) A VIDEO LOTTERY FACILITY MAY OPERATE DAILY FROM 8 A.M. TO 2 A.M.

30 (C) A VIDEO LOTTERY OPERATOR LICENSEE SHALL BE RESPONSIBLE FOR ALL
31 MARKETING, ADVERTISING, AND PROMOTION FOR ITS VIDEO LOTTERY OPERATION.

32 (D) ANY STATE LOTTERY GAMES THAT ARE OFFERED BY OR THROUGH THE
33 COMMISSION MAY NOT BE OFFERED FOR SALE AT A VIDEO LOTTERY FACILITY IN
34 THE STATE.

1 9-1A-24.

2 (A) THE COMMISSION SHALL ENSURE THAT A VIDEO LOTTERY OPERATION
3 LICENSEE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AS A CONDITION
4 OF HOLDING THE VIDEO LOTTERY OPERATION LICENSE.

5 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, A
6 VIDEO LOTTERY OPERATION LICENSEE MAY NOT PROVIDE FOOD OR BEVERAGES,
7 INCLUDING ALCOHOLIC BEVERAGES, TO INDIVIDUALS AT NO COST.

8 (2) ANY FOOD OR BEVERAGES, INCLUDING ALCOHOLIC BEVERAGES,
9 OFFERED BY A VIDEO LOTTERY OPERATION LICENSEE FOR SALE TO INDIVIDUALS
10 MAY BE OFFERED ONLY AT PRICES THAT ARE DETERMINED BY THE COMMISSION TO
11 BE COMMENSURATE WITH THE PRICE OF SIMILAR TYPES OF FOOD AND BEVERAGES
12 AT RESTAURANTS IN THE COUNTY IN WHICH THE VIDEO LOTTERY FACILITY IS
13 LOCATED.

14 (3) A VIDEO LOTTERY OPERATION LICENSEE MAY PROVIDE FOOD AT NO
15 COST TO INDIVIDUALS TO THE SAME EXTENT ALLOWED UNDER ARTICLE 2B, § 12-106
16 OF THE CODE FOR A PERSON ENGAGED IN THE SALE OR BARTER OF SPIRITUOUS,
17 MALT, OR INTOXICATING LIQUORS AND LICENSED UNDER THE LAWS OF MARYLAND.

18 (C) A VIDEO LOTTERY OPERATION LICENSEE SHALL ENSURE THAT
19 INTOXICATED INDIVIDUALS AND INDIVIDUALS UNDER THE AGE OF 21 YEARS ARE
20 NOT PERMITTED TO PLAY VIDEO LOTTERY TERMINALS AND ARE NOT PERMITTED IN
21 AREAS OF THE VIDEO LOTTERY FACILITY LOCATION WHERE VIDEO LOTTERY
22 TERMINALS ARE LOCATED.

23 (D) (1) BY REGULATION, THE COMMISSION SHALL PROVIDE FOR THE
24 ESTABLISHMENT OF A LIST OF INDIVIDUALS WHO ARE TO BE MANDATORILY
25 EXCLUDED OR EJECTED BY A VIDEO LOTTERY OPERATION LICENSEE FROM ANY
26 VIDEO LOTTERY OPERATION LICENSED UNDER THIS SUBTITLE.

27 (2) THE REGULATIONS UNDER THIS SUBSECTION SHALL DEFINE THE
28 STANDARDS FOR EXCLUSION OR EJECTION AND SHALL INCLUDE STANDARDS
29 RELATING TO INDIVIDUALS:

30 (I) WHO ARE CAREER OFFENDERS AS DEFINED BY REGULATIONS
31 ADOPTED BY THE COMMISSION;

32 (II) WHO HAVE BEEN CONVICTED OF A CRIMINAL OFFENSE UNDER
33 THE LAWS OF THE UNITED STATES OR ANY JURISDICTION WITHIN THE UNITED
34 STATES THAT IS A CRIMINAL OFFENSE INVOLVING MORAL TURPITUDE OR A
35 GAMBLING OFFENSE; OR

36 (III) WHOSE PRESENCE IN THE ESTABLISHMENT OF A LICENSEE
37 WOULD BE ADVERSE TO THE INTEREST OF THE STATE, THE LICENSEE, OR THE
38 PERSON.

1 (3) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN
2 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO
3 EXCLUDE OR EJECT FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL PLACED
4 BY THE COMMISSION ON THE LIST OF INDIVIDUALS TO BE EXCLUDED OR EJECTED.

5 (4) AN ORDER UNDER THIS SUBSECTION SHALL BE SUBJECT TO
6 JUDICIAL REVIEW.

7 (5) RACE, COLOR, CREED, NATIONAL ORIGIN OR ANCESTRY, OR GENDER
8 MAY NOT BE A REASON FOR PLACING THE NAME OF AN INDIVIDUAL ON THE LIST OF
9 INDIVIDUALS TO BE EXCLUDED OR EJECTED.

10 (E) (1) BY REGULATION, THE COMMISSION SHALL ADOPT MEASURES THAT
11 ARE INTENDED TO REDUCE OR MITIGATE THE EFFECTS OF PROBLEM GAMBLING.

12 (2) (I) THE REGULATIONS SHALL INCLUDE ESTABLISHMENT OF A
13 VOLUNTARY EXCLUSION LIST OF INDIVIDUALS WITH GAMBLING PROBLEMS WHO
14 HAVE REQUESTED TO BE EXCLUDED FROM ANY VIDEO LOTTERY OPERATION
15 LICENSED UNDER THIS SUBTITLE.

16 (II) THE REGULATIONS UNDER THIS PARAGRAPH SHALL PROVIDE A
17 SIMPLE MECHANISM FOR AN INDIVIDUAL WHO IS SOBER AND INFORMED TO
18 REQUEST PLACEMENT ON THE VOLUNTARY EXCLUSION LIST FOR A SPECIFIED
19 PERIOD OF TIME.

20 (III) A VIDEO LOTTERY OPERATION LICENSEE MAY NOT PERMIT AN
21 INDIVIDUAL ON THE VOLUNTARY EXCLUSION LIST TO ENTER INTO THE VIDEO
22 LOTTERY FACILITY OR TO PLAY A VIDEO LOTTERY TERMINAL.

23 (IV) THE COMMISSION MAY IMPOSE SANCTIONS ON A LICENSEE IN
24 ACCORDANCE WITH THIS SUBTITLE IF THE LICENSEE KNOWINGLY FAILS TO
25 EXCLUDE FROM THE PREMISES OF THE LICENSEE AN INDIVIDUAL ON THE
26 VOLUNTARY EXCLUSION LIST.

27 (3) IN ORDER TO PROTECT THE PUBLIC INTEREST, THE REGULATIONS
28 SHALL INCLUDE PROVISIONS THAT:

29 (I) LIMIT THE NUMBER AND LOCATION OF AND MAXIMUM
30 WITHDRAWAL AMOUNTS FROM AUTOMATED TELLER MACHINES;

31 (II) REQUIRE PAYOUTS ABOVE AN AMOUNT ADOPTED BY THE
32 COMMISSION TO BE MADE BY CHECK;

33 (III) REQUIRE CONSPICUOUS DISCLOSURES RELATED TO THE ODDS
34 AND PAYOUT OF VIDEO LOTTERY TERMINALS;

35 (IV) LIMIT THE DOLLAR AMOUNT THAT VIDEO LOTTERY TERMINALS
36 WILL ACCEPT;

1 (V) PROHIBIT THE USE OF SPECIFIED NEGOTIABLE INSTRUMENTS
2 AT VIDEO LOTTERY FACILITIES AND THE USE OF CREDIT CARDS, DEBIT CARDS, AND
3 SIMILAR DEVICES IN VIDEO LOTTERY TERMINALS;

4 (VI) PROVIDE CONSUMERS WITH A RECORD OF VIDEO LOTTERY
5 TERMINAL SPENDING LEVELS IF MARKETING MEASURES ARE UTILIZED THAT TRACK
6 CONSUMER SPENDING AT VIDEO LOTTERY FACILITIES; AND

7 (VII) PROHIBIT VIDEO LOTTERY OPERATION LICENSEES FROM
8 ENGAGING IN OR CONTRACTING WITH ANOTHER TO ENGAGE IN PREDATORY
9 MARKETING PRACTICES.

10 9-1A-25.

11 (A) THE COMMISSION MAY DENY A LICENSE TO AN APPLICANT, REPRIMAND
12 OR FINE A LICENSEE, OR SUSPEND OR REVOKE A LICENSE FOR A VIOLATION OF:

13 (1) THIS SUBTITLE;

14 (2) A REGULATION ADOPTED UNDER THIS SUBTITLE; OR

15 (3) A CONDITION THAT THE COMMISSION SETS.

16 (B) (1) FOR EACH VIOLATION SPECIFIED IN SUBSECTION (A) OF THIS
17 SECTION, THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000.

18 (2) EACH DAY THAT A PERSON IS IN VIOLATION UNDER THIS SECTION
19 SHALL BE CONSIDERED A SEPARATE VIOLATION.

20 (3) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER
21 PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSION SHALL CONSIDER:

22 (I) THE SERIOUSNESS OF THE VIOLATION;

23 (II) THE HARM CAUSED BY THE VIOLATION; AND

24 (III) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON
25 WHO COMMITTED THE VIOLATION.

26 (C) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBTITLE,
27 NOTHING CONTAINED IN THIS SUBTITLE ABROGATES OR LIMITS THE CRIMINAL
28 LAWS OF THE STATE OR LIMITS THE AUTHORITY OF THE GENERAL ASSEMBLY TO
29 ENACT STATUTES ESTABLISHING CRIMINAL OFFENSES AND PENALTIES RELATING
30 TO VIDEO LOTTERY OPERATIONS.

31 9-1A-26.

32 (A) ALL PROCEEDS FROM THE OPERATION OF VIDEO LOTTERY TERMINALS
33 SHALL BE ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE LOTTERY FUND
34 ESTABLISHED UNDER SUBTITLE 3 OF THIS TITLE AND DISTRIBUTED AS PROVIDED IN
35 THIS SECTION.

1 (B) (1) THE COMMISSION SHALL ACCOUNT TO THE COMPTROLLER FOR ALL
2 OF THE REVENUE UNDER THIS SUBTITLE.

3 (2) THE PROCEEDS FROM VIDEO LOTTERY TERMINALS SHALL BE UNDER
4 THE CONTROL OF THE COMPTROLLER AND SHALL BE DISTRIBUTED AS PROVIDED IN
5 THIS SECTION.

6 9-1A-27.

7 (A) THE COMPTROLLER SHALL PAY FROM THE PROCEEDS OF VIDEO LOTTERY
8 TERMINALS:

9 (1) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION, 5%
10 TO THE STATE LOTTERY AGENCY FOR COSTS AS DEFINED IN § 9-1A-01 OF THIS
11 SUBTITLE; AND

12 (2) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION
13 AND EACH YEAR THEREAFTER, 4.3% TO THE STATE LOTTERY AGENCY FOR COSTS AS
14 DEFINED IN § 9-1A-01 OF THIS SUBTITLE.

15 (B) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A HORSE RACE
16 ~~TRACK~~ RACETRACK LOCATION, THE COMPTROLLER SHALL PAY FROM THE
17 PROCEEDS OF VIDEO LOTTERY TERMINALS:

18 ~~(1) 46% TO THE EDUCATION TRUST FUND ESTABLISHED UNDER §~~
19 ~~9-1A-29 OF THIS SUBTITLE;~~

20 ~~(2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE~~
21 ~~COMMISSION, 39% TO VIDEO LOTTERY OPERATION LICENSEES TO BE DISTRIBUTED~~
22 ~~IN THE FOLLOWING MANNER:~~

23 ~~(I) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE~~
24 ~~PIMLICO RACE COURSE, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION~~
25 ~~LICENSE AT THE PIMLICO RACE COURSE;~~

26 ~~(II) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT~~
27 ~~LAUREL PARK, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION LICENSE AT~~
28 ~~LAUREL PARK;~~

29 ~~(III) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE~~
30 ~~ROSECROFT RACEWAY, 39% TO THE HOLDER OF THE VIDEO LOTTERY OPERATION~~
31 ~~LICENSE AT THE ROSECROFT RACEWAY; AND~~

32 ~~(IV) FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE~~
33 ~~RACECOURSE IN ALLEGANY COUNTY, 39% TO THE HOLDER OF THE VIDEO LOTTERY~~
34 ~~OPERATION LICENSE AT THE RACECOURSE IN ALLEGANY COUNTY;~~

35 ~~(3) (I) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE~~
36 ~~COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE~~

1 PIMLICO RACE COURSE, LAUREL PARK, AND ROSECROFT RACEWAY, 4.75% IN LOCAL
2 DEVELOPMENT GRANTS TO BE DISTRIBUTED IN THE FOLLOWING MANNER:

- 3 1. 1.78% TO BALTIMORE CITY;
4 2. 1.78% TO PRINCE GEORGE'S COUNTY;
5 3. 0.7% TO ANNE ARUNDEL COUNTY;
6 4. 0.33% TO HOWARD COUNTY; AND
7 5. 0.16% TO THE CITY OF LAUREL; AND

8 (H) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
9 COMMISSION, FROM THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE
10 RACECOURSE IN ALLEGANY COUNTY, 4.75% TO ALLEGANY COUNTY;

11 (4) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
12 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM
13 THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE PIMLICO RACE COURSE AND
14 LAUREL PARK, 5.25% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §
15 9-1A-27 OF THIS SUBTITLE FOR MILE THOROUGHBRED PURSES AND THE
16 MARYLAND-BRED RACE FUND; AND

17 (H) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
18 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
19 TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO
20 LOTTERY TERMINALS AT THE PIMLICO RACE COURSE AND LAUREL PARK, 5.95% TO
21 THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS
22 SUBTITLE FOR MILE THOROUGHBRED PURSES AND THE MARYLAND-BRED RACE
23 FUND;

24 (5) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
25 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM
26 THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE ROSECROFT RACEWAY, 5.25%
27 TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS
28 SUBTITLE FOR STANDARD-BRED PURSES AND THE STANDARD-BRED RACE FUND; AND

29 (H) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
30 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
31 TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO
32 LOTTERY TERMINALS AT THE ROSECROFT RACEWAY, 5.95% TO THE PURSE
33 DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE FOR
34 STANDARD-BRED PURSES AND THE STANDARD-BRED RACE FUND; AND

35 (6) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
36 ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, FROM
37 THE PROCEEDS OF VIDEO LOTTERY TERMINALS AT THE RACECOURSE IN ALLEGANY
38 COUNTY, 5.25% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §
39 9-1A-28 OF THIS SUBTITLE TO BE DIVIDED BETWEEN STANDARD-BRED AND

~~1 THOROUGHBRED PURSES AND THE MARYLAND BRED RACE FUND AND THE
2 STANDARD BRED RACE FUND IN PROPORTION TO THE NUMBER OF THOROUGHBRED
3 RACING DAYS AND STANDARD BRED RACING DAYS CONDUCTED; AND~~

~~4 (H) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
5 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
6 TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO
7 LOTTERY TERMINALS AT THE RACECOURSE IN ALLEGANY COUNTY, 5.95% TO THE
8 PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-28 OF THIS SUBTITLE TO
9 BE DIVIDED BETWEEN STANDARD BRED AND THOROUGHBRED PURSES AND THE
10 MARYLAND BRED RACE FUND AND THE STANDARD BRED RACE FUND IN
11 PROPORTION TO THE NUMBER OF THOROUGHBRED RACING DAYS AND
12 STANDARD BRED RACING DAYS CONDUCTED.~~

13 (1) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
14 COMMISSION, TO THE LICENSEE AT A RACETRACK LOCATION, THE PERCENTAGE
15 STATED IN THE ACCEPTED BID FOR THE RACETRACK LOCATION;

16 (2) (I) SUBJECT TO THE PROVISIONS OF ITEM (II) OF THIS ITEM, ON A
17 PROPERLY APPROVED TRANSMITTAL PREPARED BY THE COMMISSION, 5% IN A LOCAL
18 DEVELOPMENT GRANT TO THE COUNTY IN WHICH A VIDEO LOTTERY FACILITY AT A
19 RACETRACK LOCATION IS LOCATED; AND

20 (II) IF A VIDEO LOTTERY FACILITY OPERATION LICENSE IS ISSUED
21 TO A RACETRACK LOCATION AT LAUREL PARK, ON A PROPERLY APPROVED
22 TRANSMITTAL PREPARED BY THE COMMISSION, FROM THE PROCEEDS OF VIDEO
23 LOTTERY TERMINALS AT LAUREL PARK, 5% IN A LOCAL DEVELOPMENT GRANT TO BE
24 DISTRIBUTED IN THE FOLLOWING MANNER:

25 1. 73% TO ANNE ARUNDEL COUNTY;

26 2. 17% TO HOWARD COUNTY; AND

27 3. 10% TO THE CITY OF LAUREL;

28 (3) (I) IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION,
29 9.3% TO THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS
30 SUBTITLE; AND

31 (II) IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL
32 OPERATION AND EACH YEAR THEREAFTER, ON A PROPERLY APPROVED
33 TRANSMITTAL PREPARED BY THE COMMISSION, 10% TO THE PURSE DEDICATION
34 ACCOUNT ESTABLISHED UNDER § 9-1A-27 OF THIS SUBTITLE; AND

35 (4) THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED
36 UNDER § 9-1A-29 OF THIS SUBTITLE.

37 (C) FOR A VIDEO LOTTERY FACILITY OPERATION LICENSE FOR A
38 NONRACETRACK DESTINATION LOCATION, THE COMPTROLLER SHALL PAY FROM
39 THE PROCEEDS OF VIDEO LOTTERY TERMINALS:

1 (1) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
2 COMMISSION, THE PERCENTAGE STATED IN THE ACCEPTED BID SHALL GO TO THE
3 VIDEO LOTTERY FACILITY;

4 (2) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
5 COMMISSION, ~~4.75%~~ 5% IN LOCAL DEVELOPMENT GRANTS TO THE COUNTY WHERE
6 THE VIDEO LOTTERY FACILITY IS LOCATED; AND

7 (3) THE REMAINDER TO THE EDUCATION TRUST FUND ESTABLISHED
8 UNDER § 9-1A-29 OF THIS SUBTITLE.

9 (D) (1) FOR A VIDEO LOTTERY FACILITY ~~THAT IS A HORSE RACECOURSE AT~~
10 A RACETRACK LOCATION, IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS
11 THAN 5% IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION OR LESS
12 THAN 4.3% IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION AND
13 EACH YEAR THEREAFTER, ANY AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY
14 AGENCY SHALL BE DIVIDED EQUALLY AND PAID TO:

15 (I) THE EDUCATION TRUST FUND ESTABLISHED UNDER § 9-1A-29
16 OF THIS SUBTITLE; AND

17 (II) THE PURSE DEDICATION ACCOUNT ESTABLISHED UNDER §
18 9-1A-28 OF THIS SUBTITLE.

19 (2) FOR A VIDEO LOTTERY FACILITY THAT IS A NONRACETRACK
20 DESTINATION LOCATION, IF THE COSTS OF THE STATE LOTTERY AGENCY ARE LESS
21 THAN 5% IN THE FIRST YEAR OF VIDEO LOTTERY TERMINAL OPERATION OR LESS
22 THAN 4.3% IN THE SECOND YEAR OF VIDEO LOTTERY TERMINAL OPERATION AND
23 EACH YEAR THEREAFTER, ANY AMOUNT NOT DISTRIBUTED TO THE STATE LOTTERY
24 AGENCY SHALL BE PAID TO THE EDUCATION TRUST FUND ESTABLISHED UNDER §
25 9-1A-29 OF THIS SUBTITLE.

26 9-1A-28.

27 (A) THERE IS A PURSE DEDICATION ACCOUNT UNDER THE AUTHORITY OF
28 THE STATE RACING COMMISSION.

29 (B) (1) THE ACCOUNT SHALL RECEIVE MONEY AS REQUIRED UNDER §
30 9-1A-27 OF THIS SUBTITLE.

31 (2) MONEY IN THE ACCOUNT SHALL BE INVESTED AND REINVESTED BY
32 THE TREASURER AND INTEREST AND EARNINGS SHALL ACCRUE TO THE ACCOUNT.

33 (3) THE COMPTROLLER SHALL:

34 (I) ACCOUNT FOR THE FUND; AND

35 (II) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
36 STATE RACING COMMISSION, ISSUE A WARRANT TO PAY OUT MONEY FROM THE
37 FUND IN THE MANNER PROVIDED UNDER THIS SECTION.

1 (4) THE ACCOUNT IS A SPECIAL CONTINUING, NONLAPSING FUND THAT
2 IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

3 (5) EXPENDITURES FROM THE ACCOUNT SHALL ONLY BE MADE ON A
4 PROPERLY APPROVED TRANSMITTAL PREPARED BY THE STATE RACING COMMISSION
5 AS PROVIDED UNDER SUBSECTION (C) OF THIS SECTION.

6 ~~(C) SUBJECT TO THE PROVISIONS OF SUBSECTION (E) OF THIS SECTION, THE
7 STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS FROM THE PIMLICO RACE
8 COURSE, LAUREL PARK, AND THE RACECOURSE IN ALLEGANY COUNTY THAT ARE
9 ATTRIBUTABLE TO THE MILE THOROUGHBRED INDUSTRY UNDER § 9-1A-27 OF THIS
10 SUBTITLE TO:~~

11 ~~(1) MILE THOROUGHBRED PURSES AT THE PIMLICO RACE COURSE,
12 LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE RACECOURSE IN
13 TIMONIUM; AND~~

14 ~~(2) THE MARYLAND-BRED RACE FUND.~~

15 ~~(D) SUBJECT TO THE PROVISIONS OF SUBSECTION (F) OF THIS SECTION, THE
16 STATE RACING COMMISSION SHALL ALLOCATE THE FUNDS FROM THE ROSECROFT
17 RACEWAY AND THE RACECOURSE IN ALLEGANY COUNTY THAT ARE ATTRIBUTABLE
18 TO THE STANDARD BRED INDUSTRY UNDER § 9-1A-27 OF THIS SUBTITLE TO:~~

19 ~~(1) STANDARD BRED PURSES AT THE ROSECROFT RACEWAY, THE
20 RACECOURSE IN ALLEGANY COUNTY, AND THE OCEAN-DOWNS RACE COURSE; AND~~

21 ~~(2) THE STANDARD BRED RACE FUND.~~

22 (C) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (D) AND (E) OF THIS
23 SECTION, THE STATE RACING COMMISSION SHALL ALLOCATE A PERCENTAGE OF
24 THE FUNDS IN THE ACCOUNT EACH YEAR TO THE THOROUGHBRED INDUSTRY AND
25 TO THE STANDARD BRED INDUSTRY BASED ON THE PERCENTAGE OF THE TOTAL
26 WAGERING ON LIVE RACING AT RACETRACKS IN THE STATE THAT CAN BE
27 ATTRIBUTED TO EACH INDUSTRY DURING THE PRIOR CALENDAR YEAR.

28 ~~(E)~~ (D) THE AMOUNT OF FUNDS ALLOCATED TO MILE THOROUGHBRED
29 PURSES AND THE MARYLAND-BRED RACE FUND SHALL BE ALLOCATED AS FOLLOWS:

30 (1) 89% TO MILE THOROUGHBRED PURSES AT THE PIMLICO
31 RACECOURSE, LAUREL PARK, THE RACECOURSE IN ALLEGANY COUNTY, AND THE
32 RACECOURSE IN TIMONIUM; AND

33 (2) 11% TO THE MARYLAND-BRED RACE FUND.

34 ~~(F)~~ (E) THE AMOUNT OF FUNDS ALLOCATED TO STANDARD BRED PURSES AT
35 THE ROSECROFT RACEWAY, OCEAN DOWNS RACE COURSE, AND THE RACECOURSE IN
36 ALLEGANY COUNTY AND THE STANDARD BRED RACE FUND SHALL BE ALLOCATED AS
37 FOLLOWS:

1 (1) 89% TO STANDARD BRED PURSES; AND

2 (2) 11% TO THE STANDARD BRED RACE FUND.

3 ~~(G)~~ (F) THE PROVISIONS OF THIS SECTION MAY NOT BE CONSTRUED TO
4 APPLY TO THE RACECOURSE IN ALLEGANY COUNTY UNTIL HORSE RACING BEGINS
5 AT THAT RACECOURSE.

6 ~~(H) AS DIRECTED BY THE STATE RACING COMMISSION, \$125,000 FROM THE~~
7 ~~FUNDS UNDER SUBSECTION (E)(1) OF THIS SECTION AND \$125,000 FROM THE FUNDS~~
8 ~~UNDER SUBSECTION (F)(1) OF THIS SECTION SHALL GO TO PROVIDING IMPROVED~~
9 ~~HEALTH BENEFITS FOR JOCKEYS IN THE STATE.~~

10 9-1A-29.

11 (A) THERE IS AN EDUCATION TRUST FUND WHICH IS A SPECIAL CONTINUING,
12 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
13 PROCUREMENT ARTICLE.

14 (B) (1) THERE SHALL BE CREDITED TO THE EDUCATION TRUST FUND ALL
15 PROCEEDS ALLOCATED TO THE FUND UNDER § 9-1A-27 OF THIS SUBTITLE.

16 (2) MONEY IN THE EDUCATION TRUST FUND SHALL BE INVESTED AND
17 REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL ACCRUE TO
18 THE FUND.

19 (C) MONEY IN THE EDUCATION TRUST FUND SHALL BE USED TO OFFSET THE
20 TOTAL FUNDING REQUIRED TO PROVIDE AN ADEQUATE EDUCATION FOR CHILDREN
21 ATTENDING PUBLIC SCHOOLS IN THE STATE IN PREKINDERGARTEN THROUGH
22 GRADE 12, THROUGH IMPLEMENTATION OF THE PROGRAMS COMMONLY KNOWN AS
23 THE BRIDGE TO EXCELLENCE IN PUBLIC SCHOOLS, FIRST ENACTED BY CHAPTER 288
24 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2002.

25 (D) EXPENDITURES FROM THE EDUCATION TRUST FUND SHALL BE MADE
26 EACH FISCAL YEAR IN ACCORDANCE WITH THE STATE BUDGET.

27 9-1A-30.

28 (A) LOCAL DEVELOPMENT GRANTS PROVIDED UNDER § 9-1A-27 OF THIS
29 SUBTITLE SHOULD BE USED FOR IMPROVEMENTS IN THE COMMUNITIES IN
30 IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY OPERATION FACILITIES AND MAY
31 BE USED FOR THE FOLLOWING PURPOSES:

32 (1) INFRASTRUCTURE IMPROVEMENTS;

33 (2) FACILITIES;

34 (3) PUBLIC SAFETY;

35 (4) SANITATION;

1 (5) ECONOMIC AND COMMUNITY DEVELOPMENT, INCLUDING HOUSING;
2 AND

3 (6) OTHER PUBLIC SERVICES AND IMPROVEMENTS TO BENEFIT THE
4 COMMUNITIES IN IMMEDIATE PROXIMITY TO THE VIDEO LOTTERY FACILITIES.

5 (B) (1) A LOCAL DEVELOPMENT COUNCIL SHALL BE ESTABLISHED IN EACH
6 GEOGRAPHIC AREA WHERE A VIDEO LOTTERY FACILITY IS LOCATED.

7 (2) A LOCAL DEVELOPMENT COUNCIL SHALL CONSIST OF THE
8 FOLLOWING 15 MEMBERS APPOINTED BY THE CHIEF EXECUTIVE OF THE COUNTY IN
9 WHICH THE LOCAL DEVELOPMENT COUNCIL IS LOCATED, IN CONSULTATION WITH
10 THE SENATORS AND DELEGATES WHO REPRESENT THE COMMUNITIES
11 SURROUNDING THE FACILITY AND THE RESPECTIVE COUNTY COUNCILS, CITY
12 COUNCILS, OR COUNTY COMMISSIONERS:

13 (I) ONE SENATOR WHO REPRESENTS THE DISTRICT WHERE THE
14 FACILITY IS LOCATED;

15 (II) TWO DELEGATES WHO REPRESENT THE DISTRICTS WHERE THE
16 COMMUNITIES SURROUNDING THE FACILITY ARE LOCATED;

17 (III) ONE REPRESENTATIVE OF THE VIDEO LOTTERY OPERATION
18 LICENSEE;

19 (IV) SEVEN RESIDENTS OF THE COMMUNITIES IN IMMEDIATE
20 PROXIMITY TO THE FACILITY; AND

21 (V) FOUR REPRESENTATIVES OF BUSINESSES OR INSTITUTIONS
22 LOCATED IN IMMEDIATE PROXIMITY TO THE FACILITY.

23 (C) (1) PRIOR TO ANY EXPENDITURE OF LOCAL DEVELOPMENT GRANT
24 FUNDS PROVIDED UNDER § 9-1A-27 OF THIS SUBTITLE, A COUNTY SHALL DEVELOP A
25 MULTIYEAR PLAN FOR THE EXPENDITURE OF THE LOCAL DEVELOPMENT GRANT
26 FUNDS FOR SERVICES AND IMPROVEMENTS CONSISTENT WITH SUBSECTION (A) OF
27 THIS SECTION.

28 (2) A COUNTY SHALL CONSULT WITH THE LOCAL DEVELOPMENT
29 COUNCIL ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION IN DEVELOPING
30 THE PLAN REQUIRED UNDER THIS SUBSECTION.

31 (3) A COUNTY SHALL SUBMIT THE PLAN TO THE LOCAL DEVELOPMENT
32 COUNCIL FOR REVIEW AND COMMENT BEFORE ADOPTING THE PLAN OR EXPENDING
33 ANY GRANT FUNDS.

34 (4) THE LOCAL DEVELOPMENT COUNCIL SHALL ADVISE THE COUNTY
35 ON THE IMPACT OF THE FACILITY ON THE COMMUNITIES AND THE NEEDS AND
36 PRIORITIES OF THE COMMUNITIES IN IMMEDIATE PROXIMITY TO THE FACILITY.

1 (5) (I) A LOCAL DEVELOPMENT COUNCIL SHALL HAVE 45 DAYS TO
2 REVIEW, COMMENT, AND MAKE RECOMMENDATIONS ON THE PLAN REQUIRED
3 UNDER THIS SUBSECTION.

4 (II) UPON THE REQUEST OF A LOCAL DEVELOPMENT COUNCIL, THE
5 COUNTY SHALL HOLD A PUBLIC HEARING ON THE PLAN.

6 (6) A COUNTY SHALL MAKE BEST EFFORTS TO ACCOMMODATE THE
7 RECOMMENDATIONS OF THE LOCAL DEVELOPMENT COUNCIL AND ANY TESTIMONY
8 PRESENTED AT THE HEARING BEFORE ADOPTING THE PLAN REQUIRED UNDER THIS
9 SUBSECTION.

10 (D) A VIDEO LOTTERY OPERATION LICENSEE SHALL PROVIDE TO THE LOCAL
11 DEVELOPMENT COUNCIL A MASTER PLAN FOR THE DEVELOPMENT OF THE SITE ON
12 WHICH THE VIDEO LOTTERY FACILITY WILL BE LOCATED.

13 (E) (1) SUBJECT TO THE PROVISIONS OF PARAGRAPHS (2) AND (3)
14 PARAGRAPH (2) OF THIS SUBSECTION, A COUNTY THAT RECEIVES A LOCAL
15 DEVELOPMENT GRANT UNDER THIS SUBTITLE SHALL ALLOCATE AT LEAST 10% OF
16 THE LOCAL DEVELOPMENT GRANT FUNDS EACH YEAR TO THE COUNTY'S ECONOMIC
17 DEVELOPMENT OFFICE TO PROVIDE GRANTS TO SMALL, MINORITY, AND
18 WOMEN-OWNED BUSINESSES IN THE COUNTY.

19 (2) THE GRANTS PROVIDED UNDER THIS SUBSECTION SHALL PROVIDE
20 INVESTMENT CAPITAL AND LOANS TO SMALL, MINORITY, AND WOMEN-OWNED
21 BUSINESSES IN THE COUNTY WITH SPECIFIC FOCUS ON ECONOMICALLY
22 DISTRESSED COMMUNITIES IN THE COUNTY AND COMMUNITIES SURROUNDING THE
23 VIDEO LOTTERY FACILITY.

24 9-1A-31.

25 (A) THE STATE MAY PAY FOR THE REASONABLE TRANSPORTATION COSTS TO:

26 (1) MITIGATE THE IMPACT ON THE COMMUNITIES IN THE IMMEDIATE
27 PROXIMITY TO THE FACILITY; AND

28 (2) MAKE EACH VIDEO LOTTERY FACILITY ACCESSIBLE TO THE PUBLIC.

29 (B) (1) A COMPREHENSIVE TRANSPORTATION PLAN SHALL BE:

30 (I) DEVELOPED BY EACH COUNTY WHERE A FACILITY IS LOCATED,
31 IN CONSULTATION WITH THE LOCAL DEVELOPMENT COUNCIL CREATED UNDER §
32 9-1A-30 OF THIS SUBTITLE; AND

33 (II) APPROVED BY THE MARYLAND DEPARTMENT OF
34 TRANSPORTATION.

35 (2) THE COMPREHENSIVE TRANSPORTATION PLAN SHALL INCLUDE
36 PROVISIONS ON ROADS ~~AND MASS TRANSIT~~ AND PROVISIONS REGARDING MASS

1 TRANSIT IF MASS TRANSIT IS A SUBSTANTIAL MANNER OF TRANSPORTATION IN THE
2 COUNTY WHERE THE VIDEO LOTTERY TERMINAL FACILITY IS LOCATED.

3 (C) THE MARYLAND DEPARTMENT OF TRANSPORTATION SHALL FACILITATE
4 NEGOTIATIONS WITH AFFECTED COMMUNITIES TO ENSURE THE MOST PRACTICAL
5 INGRESS TO AND EGRESS FROM THE VIDEO LOTTERY FACILITY.

6 9-1A-32.

7 (A) THE COMMISSION SHALL:

8 (1) ESTABLISH AN ANNUAL FEE OF \$390, TO BE PAID BY EACH VIDEO
9 LOTTERY OPERATION LICENSEE, FOR EACH VIDEO LOTTERY TERMINAL OPERATED
10 BY THE LICENSEE DURING THE YEAR; AND

11 (2) DISTRIBUTE THE FEES COLLECTED UNDER PARAGRAPH (1) OF THIS
12 SUBSECTION TO THE COMPULSIVE GAMBLING FUND ESTABLISHED IN SUBSECTION
13 (B) OF THIS SECTION.

14 (B) (1) THERE IS A COMPULSIVE GAMBLING FUND IN THE DEPARTMENT OF
15 HEALTH AND MENTAL HYGIENE.

16 (2) THE COMPULSIVE GAMBLING FUND IS A SPECIAL CONTINUING,
17 NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND
18 PROCUREMENT ARTICLE.

19 (3) MONEY IN THE COMPULSIVE GAMBLING FUND SHALL BE INVESTED
20 AND REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL
21 ACCRUE TO THE FUND.

22 (4) EXPENDITURES FROM THE COMPULSIVE GAMBLING FUND SHALL BE
23 MADE ONLY:

24 (I) BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE TO:

25 1. ESTABLISH A 24-HOUR HOTLINE FOR COMPULSIVE AND
26 PROBLEM GAMBLERS AND TO PROVIDE COUNSELING AND OTHER SUPPORT
27 SERVICES FOR COMPULSIVE AND PROBLEM GAMBLERS; AND

28 2. DEVELOP AND IMPLEMENT ~~A~~ PROBLEM GAMBLING
29 PREVENTION ~~PROGRAM~~ PROGRAMS, INCLUDING THE PROGRAMS ESTABLISHED
30 UNDER TITLE 19, SUBTITLE 8 OF THE HEALTH - GENERAL ARTICLE; AND

31 (II) IN ACCORDANCE WITH AN APPROPRIATION APPROVED BY THE
32 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET OR BY THE BUDGET
33 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
34 PROCUREMENT ARTICLE.

1 9-1A-33.

2 THE COMMISSION SHALL MAKE AN ANNUAL REPORT TO THE GOVERNOR AND,
3 SUBJECT TO § 2-1246 OF THIS ARTICLE, TO THE GENERAL ASSEMBLY:

4 (1) ON THE OPERATION AND FINANCES OF THE VIDEO LOTTERY; AND

5 (2) WITH THE ASSISTANCE OF LOCAL POLICE DEPARTMENTS AND THE
6 DEPARTMENT OF STATE POLICE, DETAILING THE CRIMES THAT OCCUR WITHIN THE
7 COMMUNITIES SURROUNDING A VIDEO LOTTERY FACILITY.

8 **Article - State Finance and Procurement**

9 11-203.

10 (a) Except as provided in subsection (b) of this section, this Division II does
11 not apply to:

12 (1) procurement by:

13 (xviii) the Maryland Energy Administration, when negotiating or
14 entering into grants or cooperative agreements with private entities to meet federal
15 specifications or solicitation requirements related to energy conservation, energy
16 efficiency, or renewable energy projects that benefit the State; [and]

17 (xix) the Maryland Developmental Disabilities Administration of the
18 Department of Health and Mental Hygiene for family and individual support services,
19 and individual family care services, as those terms are defined by the Department of
20 Health and Mental Hygiene in regulation; AND

21 (XX) THE STATE LOTTERY AGENCY FOR NEGOTIATING AND
22 ENTERING INTO CONTRACTS FOR THE PURCHASE, LEASE, MANUFACTURE, REPAIR,
23 MAINTENANCE, AND OPERATION OF VIDEO LOTTERY TERMINALS EXCEPT THAT THE
24 REQUIREMENTS FOR MINORITY BUSINESS PARTICIPATION UNDER TITLE 14,
25 SUBTITLE 3 OF THIS ARTICLE SHALL CONTINUE TO APPLY;

26 (b) (1) (i) The following provisions of this Division II apply to each
27 procurement enumerated in subsection (a) of this section:

28 1. § 11-205 of this subtitle ("Fraud in procurement");

29 2. § 12-204 of this article ("Board approval for designated
30 contracts");

31 3. Title 12, Subtitle 2 of this article ("Supervision of Capital
32 Expenditures and Real Property Leases");

33 4. § 13-219 of this article ("Required clauses -
34 Nondiscrimination clause");

- 1 (1) SHALL BE AT LEAST 21 YEARS OF AGE;
- 2 (2) SHALL BE A CITIZEN OF THE UNITED STATES;
- 3 (3) SHALL BE A RESIDENT OF THE STATE ~~AT THE TIME OF~~
4 ~~APPOINTMENT~~;
- 5 (4) SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN FISCAL
6 MATTERS AND SHALL HAVE AT LEAST 10 YEARS SUBSTANTIAL EXPERIENCE:
- 7 (I) AS AN EXECUTIVE WITH FIDUCIARY RESPONSIBILITIES IN
8 CHARGE OF A LARGE ORGANIZATION OR FOUNDATION;
- 9 (II) IN AN ACADEMIC FIELD RELATING TO FINANCE OR
10 ECONOMICS; OR
- 11 (III) AS AN ECONOMIST, FINANCIAL ANALYST, ACCOUNTANT, OR AS
12 A PROFESSIONAL IN A SIMILAR PROFESSION RELATING TO FISCAL MATTERS OR
13 ECONOMICS;
- 14 ~~(4)~~ (5) MAY NOT HAVE BEEN CONVICTED OF OR GRANTED PROBATION
15 BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT INVOLVES GAMBLING
16 OR MORAL TURPITUDE;
- 17 ~~(5)~~ (6) MAY NOT HAVE AN OFFICIAL RELATIONSHIP TO A PERSON WHO
18 HOLDS A LICENSE UNDER THIS SUBTITLE;
- 19 ~~(6)~~ (7) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL
20 INTEREST, OWNERSHIP, OR MANAGEMENT, INCLUDING HOLDING ANY STOCKS,
21 BONDS, OR OTHER SIMILAR FINANCIAL INTERESTS IN ANY GAMING ACTIVITIES,
22 INCLUDING HORSE RACING, VIDEO LOTTERY TERMINALS, OR LOTTERY;
- 23 ~~(7)~~ (8) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY,
24 THE RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE
25 RACING OR LOTTERY; AND
- 26 ~~(8)~~ (9) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT
27 FOR THE MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY
28 GAMING ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING
29 SERVICES IN CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMBLING
30 ACTIVITY.
- 31 (D) A MEMBER OF THE VIDEO LOTTERY FACILITY LOCATION COMMISSION:
- 32 (1) MAY NOT RECEIVE COMPENSATION FOR SERVING ON THE VIDEO
33 LOTTERY FACILITY LOCATION COMMISSION; BUT
- 34 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
35 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

1 (E) (1) THE STATE LOTTERY COMMISSION, THE DEPARTMENT OF BUDGET
 2 AND MANAGEMENT, AND THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL
 3 PROVIDE STAFF TO THE VIDEO LOTTERY FACILITY LOCATION COMMISSION.

4 (2) THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL
 5 CONTRACT WITH AN INDEPENDENT CONSULTANT THAT HAS AT LEAST 10 YEARS
 6 SUBSTANTIAL EXPERIENCE IN CONSULTING ON MATTERS RELATING TO THE
 7 GAMING INDUSTRY TO ASSIST AND ADVISE THE VIDEO LOTTERY FACILITY LOCATION
 8 COMMISSION IN THE REVIEW AND ANALYSIS OF BIDS SUBMITTED UNDER THIS
 9 SECTION.

10 (F) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AWARD NOT
 11 MORE THAN ~~TWO~~ SIX VIDEO LOTTERY OPERATION LICENSES:

12 (1) FOR RACETRACK LOCATIONS AND NONRACETRACK DESTINATION
 13 LOCATIONS TO QUALIFIED BIDDERS; AND

14 (2) THROUGH A COMPETITIVE PROCESS CONSISTENT WITH THE
 15 PROCESS ESTABLISHED FOR COMPETITIVE SEALED BIDS UNDER TITLE 13 OF THE
 16 STATE FINANCE AND PROCUREMENT ARTICLE.

17 (G) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD
 18 MORE THAN:

19 (1) ~~THREE~~ TWO LICENSES TO RACETRACK LOCATIONS; AND LOCATIONS
 20 THAT ARE NOT IN RURAL AREAS;

21 (2) ONE LICENSE TO A RACETRACK LOCATION IN A RURAL AREA; AND

22 ~~(2)~~ (3) THREE LICENSES TO NONRACETRACK DESTINATION
 23 LOCATIONS.

24 ~~(G)~~ (H) (1) IN ORDER TO QUALIFY FOR A VIDEO LOTTERY FACILITY
 25 LICENSE OPERATION LICENSE AT A NONRACETRACK DESTINATION LOCATION
 26 UNDER THIS SECTION, A PROPOSED VIDEO LOTTERY FACILITY SHALL BE LOCATED
 27 IN ONE OF THE FOLLOWING COUNTIES:

28 (I) PRINCE GEORGE'S COUNTY;

29 (II) HOWARD COUNTY;

30 ~~(III)~~ BALTIMORE CITY; OR

31 ~~(IV)~~ BALTIMORE COUNTY;

32 ~~(V)~~ HARFORD COUNTY; OR

33 ~~(III)~~ DORCHESTER COUNTY; OR

34 ~~(VI)~~ ~~(IV)-(III)~~ CECIL COUNTY.

1 (2) A NONRACETRACK VIDEO LOTTERY FACILITY UNDER THIS SECTION
2 MAY NOT BE LOCATED ON THE SITE OF ANY HORSE RACECOURSE IN THE STATE
3 EXISTING ON JULY 1, 2003.

4 (I) (1) IN ORDER TO QUALIFY FOR A VIDEO LOTTERY OPERATION LICENSE
5 AT A RACETRACK LOCATION UNDER THIS SECTION, THE VIDEO LOTTERY FACILITY
6 SHALL BE LOCATED AT:

7 (I) LAUREL PARK IN ANNE ARUNDEL COUNTY;

8 (II) PIMLICO RACE COURSE IN BALTIMORE CITY;

9 (III) ROSECROFT RACEWAY IN PRINCE GEORGE'S COUNTY; OR

10 (IV) A HORSE RACECOURSE IN ALLEGANY COUNTY.

11 (2) AN APPLICANT FOR A VIDEO LOTTERY OPERATION LICENSE AT A
12 RACETRACK LOCATION SHALL HOLD A LICENSE TO HOLD A RACE MEETING FOR THE
13 RACETRACK LOCATION THAT IS STATED IN THE APPLICATION.

14 (J) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT ISSUE A
15 VIDEO LOTTERY OPERATION LICENSE WITHIN A ~~2-MILE 5-MILE~~ 4-MILE RADIUS OF
16 ANOTHER VIDEO LOTTERY OPERATION LICENSE.

17 (K) (1) A BID SUBMITTED FOR A RACETRACK LOCATION UNDER THIS
18 SUBSECTION SECTION:

19 (I) SHALL BE SUBMITTED BY OCTOBER 1, 2004 AND SHALL
20 INCLUDE AN INITIAL LICENSE FEE IN THE BID OF AT LEAST \$10 MILLION;

21 (II) MAY NOT OFFER A PERCENTAGE SHARE FOR THE APPLICANT
22 THAT EXCEEDS 36% OF THE GROSS PROCEEDS FROM VIDEO LOTTERY TERMINALS;
23 AND

24 (III) SHALL PROVIDE FOR AT LEAST \$35 MILLION IN DIRECT
25 INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS FOR EACH
26 1,000 VIDEO LOTTERY TERMINALS CONTAINED IN THE PROPOSED BID THAT SHALL
27 BE PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS
28 CONTAINED IN THE BID.

29 (2) A BID SUBMITTED FOR A NONRACETRACK DESTINATION LOCATION
30 UNDER THIS SUBSECTION SECTION:

31 (I) SHALL BE SUBMITTED BY OCTOBER 1, 2004 AND SHALL
32 INCLUDE AN INITIAL LICENSE FEE IN THE BID OF AT LEAST \$10 MILLION;

33 (II) MAY NOT OFFER A PERCENTAGE SHARE FOR THE APPLICANT
34 THAT EXCEEDS 30% OF THE GROSS PROCEEDS FROM VIDEO LOTTERY TERMINALS;
35 AND

1 (III) SHALL PROVIDE FOR AT LEAST \$35 MILLION IN DIRECT
2 INVESTMENT BY THE APPLICANT IN CONSTRUCTION AND RELATED COSTS FOR EACH
3 1,000 VIDEO LOTTERY TERMINALS CONTAINED IN THE PROPOSED BID THAT SHALL
4 BE PRORATED BASED ON THE EXACT NUMBER OF VIDEO LOTTERY TERMINALS
5 CONTAINED IN THE BID.

6 (3) A BID SUBMITTED FOR A NONRACETRACK DESTINATION LOCATION:

7 (I) SHALL INCLUDE A BID PROPOSAL BASED ON THE AWARD OF
8 2,000 VIDEO LOTTERY TERMINALS AT THE LOCATION; AND

9 (II) MAY INCLUDE A SECOND BID PROPOSAL BASED ON THE AWARD
10 OF 2,500 VIDEO LOTTERY TERMINALS AT THE LOCATION.

11 ~~(H)~~ (L) (1) IN AWARDING A VIDEO LOTTERY OPERATION LICENSE, THE
12 VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL CONSIDER THE
13 ~~FOLLOWING FACTORS:~~ UNDER THIS SUBSECTION IN THE MANNER SPECIFIED.

14 (1) ~~THE HIGHEST POTENTIAL BENEFIT TO THE STATE;~~

15 (2) ~~THE CAPITAL CONSTRUCTION PROPOSAL FOR A VIDEO LOTTERY~~
16 ~~FACILITY, INCLUDING ANY ROAD IMPROVEMENTS THAT MAY BE REQUIRED;~~

17 (3) ~~ESTIMATED REVENUES FOR THE STATE AND LOCAL JURISDICTION~~
18 ~~FROM THE VIDEO LOTTERY FACILITY, INCLUDING PROPERTY TAX REVENUES;~~

19 (4) ~~THE NUMBER OF JOBS TO BE CREATED DUE TO THE VIDEO LOTTERY~~
20 ~~FACILITY;~~

21 (5) ~~THE AMOUNT OF AN INITIAL LICENSE FEE TO BE PAID ON AWARD OF~~
22 ~~A BID;~~

23 (6) ~~THE PERCENTAGE OF MINORITY PARTICIPATION IN THE OWNERSHIP~~
24 ~~OF THE VIDEO LOTTERY FACILITY;~~

25 (7) ~~THE LOCATION OF THE PROPOSED VIDEO LOTTERY FACILITY;~~

26 (8) ~~IMPACT ON OTHER ENTERTAINMENT OR GAMING ESTABLISHMENTS;~~

27 (9) ~~THE COMPATIBILITY OF THE PROPOSED FACILITY WITH THE~~
28 ~~SURROUNDING COMMUNITY; AND~~

29 (10) ~~ANY OTHER FACTOR DEEMED RELEVANT IN MAKING A~~
30 ~~DETERMINATION.~~

31 (2) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION
32 COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 70% BASED ON
33 BUSINESS AND MARKET FACTORS INCLUDING:

34 (I) THE HIGHEST POTENTIAL BENEFIT AND HIGHEST
35 PROSPECTIVE TOTAL REVENUE TO BE DERIVED BY THE STATE;

1 (II) THE POTENTIAL REVENUE FROM A PROPOSED LOCATION
2 BASED ON A MARKET ANALYSIS;

3 (III) THE ABILITY TO ATTRACT OUT-OF-STATE GAMING
4 PARTICIPANTS;

5 (IV) THE EXTENT TO WHICH THE PROPOSED LOCATION
6 DEMONSTRATES THAT THE FACILITY WILL BE A SUBSTANTIAL REGIONAL AND
7 NATIONAL TOURIST DESTINATION;

8 (V) THE PROPOSED FACILITY CAPITAL CONSTRUCTION PLANS AND
9 COMPETITIVENESS OF THE PROPOSED FACILITY;

10 (VI) THE AMOUNT OF GROSS REVENUES TO BE ALLOCATED TO THE
11 OPERATOR OVER THE TERM OF THE LICENSE;

12 (VII) THE AMOUNT OF THE INITIAL LICENSE FEE TO BE PAID; AND

13 (VIII) THE PERCENTAGE OF OWNERSHIP BY ENTITIES MEETING THE
14 DEFINITION OF MINORITY BUSINESS ENTERPRISE UNDER TITLE 14, SUBTITLE 3 OF
15 THE STATE FINANCE AND PROCUREMENT ARTICLE.

16 (3) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION
17 COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 15% BASED ON
18 ECONOMIC DEVELOPMENT FACTORS INCLUDING:

19 (I) THE NUMBER OF NEW JOBS TO BE CREATED; AND

20 (II) ANY ADDITIONAL ECONOMIC DEVELOPMENT PLANNED IN THE
21 AREA OF THE PROPOSED FACILITY.

22 (4) THE DECISION BY THE VIDEO LOTTERY FACILITY LOCATION
23 COMMISSION TO AWARD A LICENSE SHALL BE WEIGHTED BY 15% BASED ON
24 LOCATION SITING FACTORS INCLUDING:

25 (I) THE EXISTING TRANSPORTATION INFRASTRUCTURE
26 SURROUNDING THE PROPOSED FACILITY LOCATION;

27 (II) EXCEPT FOR A RACETRACK LOCATION, THE PROXIMITY OF THE
28 PROPOSED FACILITY LOCATION TO INTERSTATE 95, U.S. ROUTE 50, AND OTHER PARTS
29 OF THE INTERSTATE HIGHWAY SYSTEM; AND

30 (III) THE NEED FOR ADDITIONAL PUBLIC INFRASTRUCTURE
31 EXPENDITURES AT THE PROPOSED FACILITY.

32 ⊕ (M) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT
33 AWARD A VIDEO LOTTERY FACILITY OPERATION LICENSE TO A PERSON WHO IS NOT
34 QUALIFIED UNDER THIS SECTION OR THIS SUBTITLE.

1 ~~(M)~~ (N) (1) THE VIDEO LOTTERY FACILITY LOCATION COMMISSION SHALL
2 REFER TO THE STATE LOTTERY COMMISSION THE NAME AND ALL RELEVANT
3 INFORMATION CONCERNING A PERSON WHO MAKES A BID UNDER THIS SECTION.

4 (2) ON RECEIPT OF THE INFORMATION IN PARAGRAPH (1) OF THIS
5 SUBSECTION, THE STATE LOTTERY COMMISSION SHALL DETERMINE WHETHER A
6 BIDDER IS QUALIFIED TO HOLD A VIDEO LOTTERY FACILITY OPERATION LICENSE
7 UNDER THIS SUBTITLE.

8 (3) ON COMPLETION OF ITS DETERMINATION, THE STATE LOTTERY
9 COMMISSION SHALL NOTIFY THE VIDEO LOTTERY FACILITY LOCATION COMMISSION
10 OF THE DETERMINATION WHETHER A BIDDER IS QUALIFIED TO HOLD A VIDEO
11 LOTTERY FACILITY OPERATION LICENSE UNDER THIS SUBTITLE.

12 ~~(K)~~ ~~THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY AUTHORIZE~~
13 ~~A TOTAL OF 4,000 VIDEO LOTTERY TERMINALS TO BE DIVIDED BETWEEN THE TWO~~
14 ~~NONRACETRACK DESTINATION FACILITIES AS PROVIDED BY THE VIDEO LOTTERY~~
15 ~~FACILITY LOCATION COMMISSION.~~

16 ~~(L)~~ (O) AFTER AWARD OF A VIDEO LOTTERY OPERATION LICENSE UNDER
17 THIS ~~SUBSECTION~~ SECTION, THE STATE LOTTERY COMMISSION SHALL BE
18 RESPONSIBLE FOR ALL MATTERS RELATING TO REGULATION OF THE LICENSEE.

19 (P) AN UNSUCCESSFUL BIDDER FOR A VIDEO LOTTERY OPERATION LICENSE
20 UNDER THIS SECTION MAY SEEK, UNDER TITLE 15 OF THE STATE FINANCE AND
21 PROCUREMENT ARTICLE, REVIEW BY THE STATE BOARD OF CONTRACT APPEALS OF
22 THE AWARDED OF THE VIDEO LOTTERY OPERATION LICENSE BY THE VIDEO
23 LOTTERY FACILITY LOCATION COMMISSION.

24 (Q) (1) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PROHIBIT A
25 VIDEO LOTTERY OPERATION LICENSEE THAT IS AWARDED A LICENSE AT A
26 RACETRACK LOCATION FROM BEGINNING VIDEO LOTTERY TERMINAL OPERATIONS
27 IN A TEMPORARY FACILITY THAT MEETS THE MINIMUM REQUIREMENTS
28 ESTABLISHED IN REGULATIONS ADOPTED BY THE STATE LOTTERY COMMISSION.

29 (2) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF THIS
30 SUBSECTION, A VIDEO LOTTERY OPERATION LICENSEE AT A RACETRACK LOCATION
31 SHALL BE FULLY OPERATIONAL IN A PERMANENT FACILITY NO LATER THAN 2 YEARS
32 AFTER THE ISSUANCE OF THE VIDEO LOTTERY OPERATION LICENSE.

33 ~~(Q)~~ (R) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE
34 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION TO ISSUE ALL SIX VIDEO
35 LOTTERY OPERATION LICENSES AUTHORIZED UNDER THIS SUBTITLE.

36 (2) NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SUBTITLE,
37 THE VIDEO LOTTERY FACILITY LOCATION COMMISSION MAY NOT AWARD A VIDEO
38 LOTTERY OPERATION LICENSE UNDER THIS SUBTITLE UNLESS THE VIDEO LOTTERY
39 FACILITY LOCATION COMMISSION DETERMINES AND DECLARES THAT A BID
40 SELECTED FOR AWARD OF THE LICENSE IS IN THE PUBLIC INTEREST AND IS
41 CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.

1 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
2 read as follows:

3 **Article - State Finance and Procurement**

4 11-203.

5 (b) (3) A procurement by an entity listed in subsection (a)(1)(i) through
6 [(xix)] (XX) of this section shall be made under procedures that promote the purposes
7 stated in § 11-201(a) of this subtitle.

8 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
9 read as follows:

10 **Article - State Finance and Procurement**

11 11-203.

12 (b) (2) A procurement by an entity listed in subsection (a)(1)(i) through
13 [(xix)] (XX) of this section shall be made under procedures that promote the purposes
14 stated in § 11-201(a) of this subtitle.

15 SECTION 5. AND BE IT FURTHER ENACTED, That if any provision of this
16 Act or the application thereof to any person or circumstance is held invalid for any
17 reason in a court of competent jurisdiction, the invalidity does not affect other
18 provisions or any other application of this Act which can be given effect without the
19 invalid provision or application, and for this purpose the provisions of this Act are
20 declared severable.

21 SECTION 6. AND BE IT FURTHER ENACTED, That the intent of this Act, and
22 its various integrated provisions, is to provide for the authorization and regulation of
23 certain gaming devices for the purpose of generating State revenues and other funds
24 for specified purposes, including funding public education and assisting the State's
25 racing industry. This section is not intended to detract from the application of the
26 severability provision contained in Section 4 of this Act or from the ability of a court
27 of competent jurisdiction to consider and apply appropriate severability principles in
28 the event of a judicial challenge to the validity of a specific portion or portions of the
29 bill.

30 SECTION 7. AND BE IT FURTHER ENACTED, That the agency designated by
31 the Board of Public Works under § 14-303(b) of the State Finance and Procurement
32 Article of the Annotated Code of Maryland, in consultation with the General
33 Assembly and the Office of the Attorney General, shall initiate two studies of the
34 requirements of § 9-1A-09 of the State Government Article as enacted by Section 1 of
35 this Act that evaluate the continued compliance of the requirement with any federal
36 and constitutional requirements. In preparation for the studies, the State Lottery
37 Commission shall require video lottery operation license applicants and licensees to
38 provide any information necessary to perform the study. The studies shall also
39 evaluate race-neutral programs or other methods that can be used to address the

1 needs of minority investors and minority businesses. A final report of the first study
2 shall be submitted to the Legislative Policy Committee on or before December 1, 2005,
3 so that the General Assembly may review the report prior to the 2006 Session. A final
4 report of the second study shall be submitted to the Legislative Policy Committee on
5 or before September 30, 2007, so that the General Assembly may review the report in
6 conjunction with the report of the study on the Minority Business Enterprise Program
7 prior to the 2008 Session.

8 SECTION 8. AND BE IT FURTHER ENACTED, That the Department of
9 Transportation shall study the impact of the increased traffic resulting from any
10 proposed operation of video lottery terminals at Pimlico Race Course, including the
11 need for an interchange on Jones Falls Expressway between Northern Parkway and
12 Interstate 695. The Department of Transportation shall provide a final report on the
13 study required under this section to the General Assembly on or before December 1,
14 2004, in accordance with § 2-1246 of the State Government Article.

15 SECTION 9. AND BE IT FURTHER ENACTED, That this Act may not be
16 construed to affect the terms of the members of the State Lottery Commission
17 appointed before the effective date of this Act. The terms of the four new members of
18 the State Lottery Commission appointed under this Act shall expire as follows:

19 (1) one member in 2006;

20 (2) one member in 2007; and

21 (3) two members in 2008.

22 SECTION 10. AND BE IT FURTHER ENACTED, That Section 2 of this Act
23 shall take effect June 1, 2004. It shall remain effective for a period of ~~1 year~~ 2 years
24 following the award of the ~~second~~ sixth video lottery operation license ~~for a~~
25 ~~nonracetrack destination location~~ and with no further action required by the General
26 Assembly, Section 2 of this Act shall be abrogated and of no further force and effect.
27 On award of the ~~second~~ sixth video lottery operation license, the Video Lottery
28 Facility Location Commission within 5 days after the award shall notify in writing
29 the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

30 SECTION 11. AND BE IT FURTHER ENACTED, That Section 3 of this Act
31 shall take effect June 1, 2004. It shall remain effective until the taking effect of
32 Section 4 of this Act. If Section 4 of this Act takes effect, Section 3 of this Act shall be
33 abrogated and of no further force and effect.

34 SECTION 12. AND BE IT FURTHER ENACTED, That Section 4 of this Act
35 shall take effect on the expiration of Chapter 402 of the Acts of the General Assembly
36 of 2003.

37 SECTION 13. AND BE IT FURTHER ENACTED, That, subject to Sections 10,
38 11, and 12 of this Act, this Act shall take effect June 1, 2004.

